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and

# FINANCIAL MANAGEMENT

NOTES TO INDUSTRY FINANCE & COMMERCE

OF MICHIGAN

OCT 25 1953

WEEKLY



Comfort for Staff, Speed for Economy  
in Theme of New York Business Show  
Right Arm of Sales, Not Millstone  
Responsibility of Company's Treasury

Better Lighting for Cleaner Job Helps  
Solve Labor Question and Advance Profit


How to Select Distributors on Site?  
What to Do in Field Warehouse Stock

NOV  
Vol.

1953  
No. 11

# Back your credit decisions with FACTS!

**F**ACTS about the paying habits of your customers are available to you in Credit Interchange Reports. They open to you the ledgers of *many* suppliers—in *all* lines of business—from *all* parts of the country. Because a *single inquiry* brings you these facts, time, money and labor are saved you, as well as the suppliers who furnish the needed information. The number of requests made and answered is reduced to the minimum.



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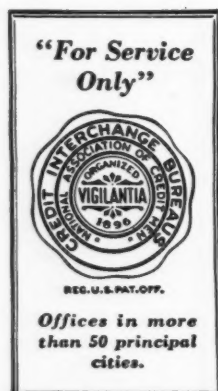
Report on \_\_\_\_\_

\_\_\_\_\_, CO., \_\_\_\_\_, FLORIDA      OCT. 6, 1953  
 \_\_\_\_\_ Meridian St.  
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BUSINESS CLASSIFICATION	HOW LONG SOLD	DATE OF LAST SALE	HIGHEST RECENT CREDIT	NOW OWING INCLUDING NOTES	PART DUE	TERMS OF SALE	PAYING RECORD			COMMENTS
							DIS. COUNTS	PAYED WHEN DUE	DATE SLOW	
<b>TAMPA</b>										
921-130										
Paper	yrs	9-53	419	263		1-10-30	x			
Bldg M	yrs	9-53	1090.	802		2-10-30	x			
Hdwe	yrs	8-53	379			1-10-30	x			
Metal	yrs	8-53	1281	268		1-10-30		x		
Elec	yrs	9-53	326			30		x		
D G	yrs	9-53	550	118		2-10-60	x			
Ind S	1945	9-53	786	229		30		x		
Feed	yrs	9-53	319	170		1-10-30	x			
Drug	5yrs	7-53	451			30		x		
Bail.	yrs									Depository account low four figures is satisfactory. Loans to low five figures; owing nothing at present.
<b>LOS ANGELES</b>										
921-130										
Mach	1944	9-53	1339	637		1-10-30	x	x		
<b>WESTERN NEW YORK</b>										
923-189										
Ind S	1940	9-53	3876	1478		N 30		x		
<b>WESTERN PENNSYLVANIA</b>										
923-502										
H Fgs	yrs	9-53	835	832		30		x		
Paper	yrs	7-53	661			1-10-30	x			
<b>JACKSONVILLE</b>										
923-534										
Pet	9-52	9-53	108			10th		x		
Pet	yrs	7-53	119			30		x		
<b>MIAMI</b>										
923-119										
Bldg M	yrs	9-53	869	673		various	x	x		
Bu 50 M										

*Credit Interchange embraces many desirable features—efficient aids to the Credit Executive. Ask for details from the Bureau serving your area.*



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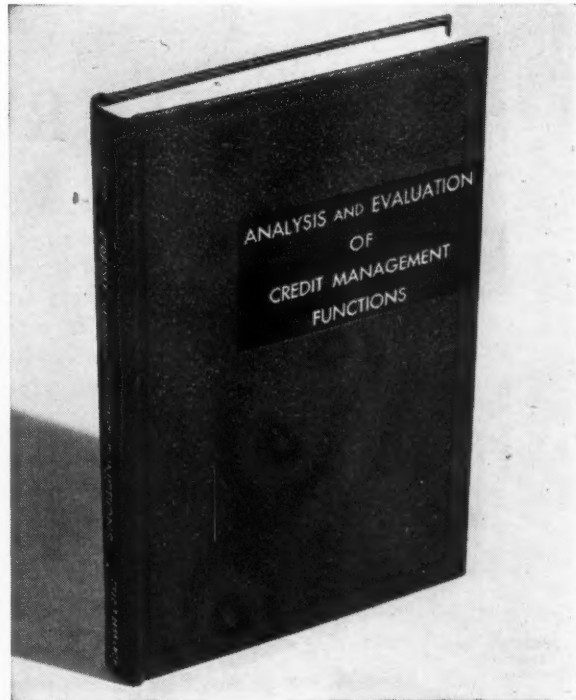
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- how to analyze and evaluate credit positions
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- how performance can be appraised
- how to evaluate your salary structure
- what qualifications are needed for promotion

#### THE STUDY TELLS MANAGEMENT

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- how to evaluate its Credit Department positions
- how its pay rates compare with those of other companies
- what qualifications are needed to fill different level jobs
- how to sustain the interest of credit personnel



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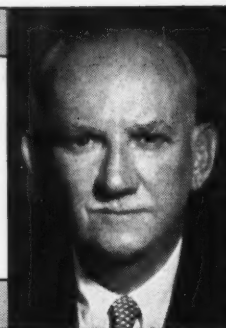
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# Editorial



## The Real Blessing

**H**ARVESTED AND STORED for winter use were the bountiful crops. Nature had dressed her best to bedeck the new strange land in a myriad of color. Matching the vigor of its people was the brisk air, clean and clear. Souls of men, women and children were free and light. They had conquered a wilderness. After a season's labor and care they were now reaping the reward of industry. Freedom from want was assured. In their hour of triumph they did not forget God. In thanksgiving our Pilgrim forefathers kneeled, mindful of His beneficence.

Three centuries have come and gone. The land of discovery is now the miracle nation of the world. Its people are well fed, well clothed, well housed. They are enjoying the highest standard of living known to history. In a few hundred years their country has attained world leadership. It has spread its helpfulness in all directions, giving much, seeking little. It has suffered false accusations of selfishness yet persisted in generosity, answering these ingratitude with continued interest in and contribution to the welfare of its fellow man.

Today once again it has harvested bountiful crops. Granaries and warehouses are bulging. Some of its people, inexperienced in the hardships of a wilderness or the fear of want and starvation, forget that these harvests today, no less than centuries ago are a cause for thanksgiving, not alarm. In a modern economy the dollar value of the harvest is important—but not all-important. The real blessing is the rich harvest itself. The real challenge is to our ability to share it with the world through an economically sound program. Surely we owe Providence our thanks for these large harvests that will enable us to relieve the starvation and famine in less fortunate nations, of less fortunate peoples.

We too of this generation must realize that Thanksgiving is not only our pleasure but our spiritual duty as well. We cannot be so thoughtless, so unkind and so irreligious, as to fail to repeat the prayers of thanks lifted by those who have gone before us, the fruits of whose pioneer labor and spiritual strength we now harvest.

We should be extremely careful in our attempt to restrict crops, lest through such action we imbue youth with thanklessness for God's munificence. Looking beyond our own comforts, we should rejoice in the opportunity afforded us to satisfy human wants with our great harvests.

A handwritten signature in dark ink, reading "Henry H. Heimann", with a stylized flourish at the end.

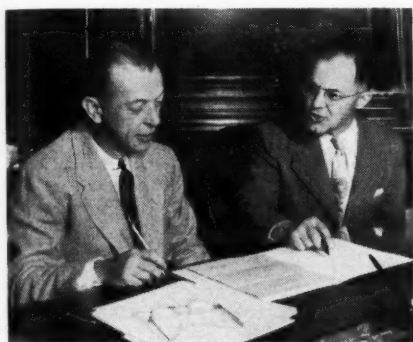
HENRY H. HEIMANN,  
Executive Vice President



## THE NOVEMBER COVER

**C**REDIT and Sales, variously styled as a management team, as sides of a triangle with production, and again as distribution twins, are literally one in the setup of the Burroughs Corporation, with the Corporation's treasurer as policy designer and supervisor while the sales branch managers determine the extent of credit extension to customers in the field, says Edward F. Neubecker (right), assistant secretary and assistant treasurer, in his article in this issue.

Mr. Neubecker, shown here with



Treasurer Harry A. Lombard, joined Burroughs in 1940 as a salesman in the Washington, D.C., branch and was assigned to systems work on Government accounts. After three years he began liaison service between the company and wartime and defense agencies at the capital. In 1947 he was transferred to the home office to act on insurance and other matters connected with the secretary's office, and in October of that year was named an officer of the corporation.

Mr. Neubecker, after his graduation in Buffalo, N.Y., from the Canisius College school of business administration, had four years in accounting and auditing for industrial and banking companies, then four years of Government auditing and accounting for the Social Security and Internal Revenue departments.

Mr. Lombard, who was born in Whitaker, Mich., entered the service of the Burroughs organization in 1927 as a member of the sales staff of the company's Detroit branch, but soon was transferred to the bank division of the home office, and handled supervisory duties for 18 years.

Joining the Currier Lumber Company in 1945 he was treasurer and advanced to general manager. Returning to Burroughs in 1948 as assistant treasurer, four months later he was appointed to the treasurership.

# CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY \* FINANCE \* COMMERCE

General Manager: Edwin B. Moran  
Official Publication of The National Association of Credit Men

VOLUME 55

NUMBER 11

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☐ THE NEW setup of the Department of Commerce economic and business promotion activity consists of three separate units, outlined by James C. Worthy, assistant secretary. These three are the business and defense services administration, office of business economics, and office of international trade, all serving business as independent units. The BDSA will be made up of 25 industry divisions.

☐ INCREASE of net public and private debt is paralleling the rate of last year when it went up \$31.5 billions (6 percent), according to the Department of Commerce.

☐ TO DETERMINE if the domestic watch industry is harmed by increased importations of Swiss movements, the tariff commission is holding a public hearing January 12.

☐ FEEDSTUFF consumption dropped 5 per cent, in the first nine months of the 1952-53 season, off the total for the same period a year earlier.

☐ A CUTBACK to save between \$400 and \$500 millions in a program of purchase of jet and piston engines was announced by the Air Force,

which previously had reduced its long-range buying plans by almost 1,000 planes. The military said the plane order reduction would have little effect on the current rate of production.

☐ THE COMING period of readjustment may be achieved piecemeal under returning normal competition, says Leonard B. Rist, director of the economic staff of the International Bank of Reconstruction and Development. He also thinks price can be reduced without cutting the volume of trade and production.

Mr. Rist points out that international trade now is 40 per cent above pre-war, and international production (excepting Russia) is 85 to 95 per cent over pre-war.

☐ DROPPED by the National Production Authority are priorities for domestic public utilities and foreign and domestic petroleum and gas operators. However, the N.P.A. provided that by applying to the Department of the Interior additional supplies of nickel stainless steel might be obtained.

☐ EXPENDITURES for construction for the first half of the year reached the all-time record total of \$16 billions, exceeding the parallel period in 1952 by almost 8 per cent, according to estimates of the Commerce and Labor departments.

☐ MOLYBDENUM, chromium and cobalt are off the controls list, and restrictions on columbium and tantalum have been lightened. All five metals are relieved of inventory and reporting controls. The tungsten-molybdenum allocating committee has been dissolved.

☐ WITH CLOSING of 11 of the 42 field offices of the Department of Commerce, the Department reported it was setting up a system of cooperation of business organizations and local Chambers with the offices continuing in service.

☐ While the Government is "to continue a vigorous program to increase the potential supply of scarce metals and minerals," the old materials expansion functions of the Defense Materials Procurement Agency are being absorbed by the emergency procurement service of Gas Administrator Mansure's agency.

☐ ESTIMATING capital outlays for plant and equipment in the second quarter at an annual rate of \$28.4 billions and \$28.7 for the third quarter, the Securities and Exchange Commission and the Department of Commerce reported expenditures in

## FEDERAL RESERVE MINUTE MAN

*"The public sees that we need an official defender of the integrity of the dollar, and is inclined to cast the Federal Reserve in that role," to hold down credit in inflationary periods and loosen it in depression times, says Dr. Albert G. Hart, Columbia University, in a report he prepared for the Twentieth Century Fund under the heading "Defense and the Dollar."*

*In another report for the Fund, "Economic Controls and Defense," Dr. Donald H. Wallace of Princeton University writes that important to the arsenal of defense is knowing which controls to employ in inflationary periods. To this report Dr. John Maurice Clark, chairman of the special Fund committee which acted as consultants in both studies, added that economic statesmanship should supplant politics, at Government, labor, and business leadership levels.*



the first quarter were at a \$27.2 billions annual rate.

For business concerns the departments placed outlays at \$7.2 billions the second quarter, \$7.1 the third period, which would make the first nine months expenditure this year \$20.5 billions, a 7 per cent increase over the parallel period last year. Public utilities increases would be the highest at 23 per cent, with a total \$3.325 billions for the three quarters; manufacturing, 7 per cent, to \$9.226 billions, compared with \$8.626 the same period in 1952.

¶ **REVOKED** is the order of the Petroleum Administration for Defense which had specified the amount of tetraethyl lead which refiners must use in commercial aviation gasoline.

¶ **THIS YEAR'S** production of young chickens, estimated at 614,955,000 by the Department of Agriculture, will be 20 per cent short of the ten-year average, 1942 to 1951, but at approximately the same total as last year, based on reports from 110,000 farms.

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**OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.**

**THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.**

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¶ **HEARINGS** will be held early next year on a bill to restore convertibility of paper currency to gold coins, says Senator Homer Capehart (Rep., Ind.), chairman of the Senate banking committee.

¶ **REVISION** of N.P.A. regulations on delivery of aircraft-quality alloy steel removes restrictions from all except sale of nickel-bearing aircraft alloy steel by warehouse operators.

¶ **SOCALLED** "central inventory" of machine tools, managed by the N.P.A., has been abolished, and the Defense Department again has control and responsibility for idle tools owned by the military and listed in the central inventory.

¶ **THE LARGEST** quarterly delivery of aluminum to the strategic stockpile was scheduled for this fourth quarter of 1953. Civilian users also are to have more aluminum than in any previous quarter.

¶ **RELAXED** is the ban which the Department of Agriculture had placed upon interstate shipments of hogs from stockyards under federal inspection in non-quarantined areas. The ves-

icular exanthema epidemic last year had caused the order. Hogs fed uncooked garbage still are under the ban, however.

¶ **CONTROLS** on the air taxi business have been lightened by the Civil Aeronautics Board. Eliminated are requirements that periodic reports be filed by operators of craft with more than five passenger seats. No longer are air taxi services prohibited from using in their names the words "airlines" or "airline," and "airways."

¶ **A record** of \$69.7 billions in tax collections in the fiscal year ended June 30th was approximately \$4.7 billions (7.2 per cent) above the previous top mark, in fiscal 1952.

¶ **OF DEPOSITS** in the banks in this country, more than \$188 billions (95 per cent) is in banks insured by the Federal Deposit Insurance Corporation, according to Chairman H. Earl Cook. The deposit insurance fund of the corporation stood at \$1.363 billions at the end of last year, with authorization to borrow \$3 billions additional.

¶ **DELIVERIES** of military equipment by the United States to free nations in the first half of this year exceeded \$2.3 billions, contrasted with \$1.4 billions the last six months of 1952 and \$880 millions the previous six months, said Harold Stassen, reporting as foreign operations administrator. Further speeding of deliveries is being made, partly because of Russia's development of the H-bomb, Mr. Stassen said he had informed the President.

¶ **APPLICATION** for individual export license no longer is required by the Department of Commerce for shipping certain non-strategic drug preparations to most countries (excluding Hong Kong, Macao and Iron Curtain satellites). Among the items are certain antibiotics and sulfonamide preparations (such as ointments, nose drops and sprays), and ACTH, Cortisone, synthetic hormones and Bacitracin.

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### **ALL-TIME EMPLOYMENT HIGH**

*Only 1.9 per cent of all civilian workers were out of jobs in August, compared with 2.5 per cent a year ago, said Robert A. Murray, acting secretary of commerce, commenting on a department announcement that the total 63,408,000 total employment for the month was the highest ever, and the 1,240,000 figure for unemployed was a postwar low.*

*Factory and business employment jumped to 56,134,000 (from 55,492,000 estimated in July); farm employment fell 350,000 from July to a total 7,274,000.*

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# Comfort for Speed Is

## Choosey Help Challenges Makers of Equipment

**O**FFICE equipment manufacturers have been hearing from the boys out in the field, and from the suppliers as well. Not that the top management at the source have been remiss in attentions to economy of design and operation, and to demands for low-cost machines. But the office and credit managers have been reading the signs on the business horizon—and most credit executives are also the men who purchase the office supplies.

The buyers market, which is fully upon us, has its impacts all the way back to the designers for the manufacturers, and no better evidence of that truth can be had than in the booths at the National Business Show at Grand Central Palace in New York City. The Show, bigger than its previous biggest, opened October 19th and runs through October 24th.

The trends in the general economy help shape the trends of equipment construction. The results are reflected in the displays at the Show. Among outstanding causes and effects translated into the designs, shapes, structures and operation of the office tools on exhibition are these:

(1) **MECHANIZATION** — the automatic features to reduce per-

sonnel payrolls, speed the handling and completion of a job, cut costs;

(2) **COMPACTNESS** — office rentals cost money, increasingly so, and never has the management been more space-conscious;

(3) **DURABILITY**—with labor costs, largest item in equipment manufacture outlay, on the upward swing, office management wants equipment to last;

(4) **SIMPLICITY** — that goes for operation, not least of the demands being reduction of training time to qualify personnel to run the machines—and equally important is simplicity of construction for economy in replacement and repair of parts;

(5) **COMFORT** — operators of

office machines insist on good working conditions, and it's up to the designers to keep in mind the factors of fatigue, posture, step-saving, lighting (the last-named is the subject of a separate article elsewhere in this issue);

(6) **THRIFTINESS** — "fool-proofing" equipment to avoid wastage of office supplies;

(7) **STREAMLINING**—another attention to keeping the office staff contented by providing cheerful surroundings, in which the equipment shares, whether by uptodate design or color, or both.

Any and all combinations of these reasons for the new look in equipment displays were heard on opening day among the throngs milling about the booths. They figured in the "pitches" of the manufacturer-distributor representatives. That the purchasers for the accounts liked both what they heard and what they saw was evidenced by the rush of first-day orders.

### *Office Personnel at Premium*

With recent surveys showing labor availability at a record low, every kind of appeal within the bounds of reasonably profitable manufacture, and economical and efficient office operation, was sounded from both ends of a transaction.

New equipment design is definitely in the direction of giving the machine operators in the office as comfortable a job as possible, that is, if development of automatic features has not reduced the call for manual effort so that two operators now can do the work which formerly required three, or one worker with the newer mechanical helps gets more production out of a day than two predecessors did.

### *Seats for the Operators*

One notable evidence of this progression was in the number of machines re-devised so that the operator can remain seated while turning out the job, and a neater job at that. (Furthermore, the office furniture makers also were in step, with more comfortable chairs.)

Two other proofs of this concentrated attention were noted in the



*They Come to See and They Are Shown*

# Business Show Theme

*Result Evident in Time and Work Saving Designs*



*Opening the Door to Wizardry in Equipment Manufacture*

development of foot controls for machine operation and in the arm-level positioning of levers and other manual operation parts.

Another factor in proficiency of office service, a definite element in working surroundings even if not always measurable with common gauging tools, is harmony of lights and colors. Many exhibits showed purposed effort to inject cheerio into the machines of office industry.

Following are details of some representative exhibits.

## **Efficiency and Low Cost Mark Executone Intercom**

**T**HE Executone Intercom Systems on display have in common the facilities for instant exchange of information, without travel from one office to another, without taking time from the switchboard operator to handle internal calls.

Features for increasing office efficiency and cutting operating costs are:

(1) The "Hold - Annunciator," which permits registering calls from staff stations and "holding" them at the master station until answered. The staff station user depresses a

button on his unit. The call is announced at the master station by a soft chime and by a signal light which remains on until the call is answered. The person calling returns to his work knowing his call will be answered as soon as the master station is free.

(2) "Remote Reply plus Privacy Protection," enabling the user of a staff station to reply to calls from across the room without approaching his unit. A red privacy lamp illumines to indicate his "line" is open.

*Executone, Inc., 415 Lexington Ave., New York City 17.*

## **Copyflex Model 6 Copies Books Without Damage**

**O**N exhibition by Charles Bruning are Models 14, 15 and 93 Copyflex machines plus a new addition to the Copyflex line, the Model 6. All these machines are shown in operation, with a separate application in business use featured at each machine. For example, one machine produces invoice copies as would be done in an order-invoice application, while other office and business paper work procedure is

featured simultaneously at the other machines.

The diazotype Model 6 machine copies pages in books and magazines without damaging the literature. As with other Copyflex machines, Model 6 does not use vapor developer and so cannot emit fumes. No exhaust ducts are required.

*Charles Bruning Company, Inc., 4700 Montrose Ave., Chicago 41.*

## **Monroe Adding-Calculator Has Single Keyboard Action**

**M**ONROE is exhibiting representative models of its complete line of calculating, adding, accounting, and posting machines. The fully automatic Monro-Matic Model CAA-10 Adding-Calculator is being demonstrated to bring out the advantages of its single keyboard operation, compactness, and automatic handling of zeros and decimals. An advanced version has extra capacity, Series 3 dials, counting meter, automatic squaring. Other calculators in the C line are displayed, also the new small electric, portable, All-Purpose LA-7.

Introduced is the new 10-key add-



ing machine which rounds out the Monroe line to include the standard, full keyboard and 10-key types. Both classes feature "Velvet Touch" effortless key action. The 10-key Model 611-11-011 has high-speed operation due to its "open keyboard" that permits the operator to start feeding a new set of figures before the cycle of adding the previous amount is completed. The keyboard of the Model 611 is constructed so that only a single key can be depressed at one time, thus preventing key "pile" and resulting errors.

Among its bookkeeping machines Monroe highlights a single register model particularly suited to the smaller business, due to its low cost and simple operation.

*Monroe Calculating Machine Company, Inc., Orange, N.J.*

### Staxonsteel Transfer File Is a Sturdy Space-saver

**B**ANKERS Box Company is displaying all products in its line, but is emphasizing its newest products tax at the manufacturers.

Staxonsteel is like no other drawer style transfer file on the market today. The structural steel framework that is a part of Staxonsteel carries the weight of each individual drawer to a degree that these files can be stacked to an unlimited height with assurance that each drawer will operate perfectly.

This space-saving feature plus the economy of corrugated board makes Staxonsteel unique in its field. This file is made in three standard stock sizes: letter, legal and check. Units are shipped knocked down flat and are very easily assembled. Units may be interlocked side by side for battery installations.

*Bankers Box Company, 720 So. Dearborn St., Chicago 5.*

### New Ozalid Copying Machine Is for Small Volume Offices

**A** SMALL, low-priced office copying machine to bring the speed and savings of direct copies within easy reach of every office is introduced by Ozalid, division of General Aniline & Film Corporation.

The Ozalid Bambino, designed and priced for small volume users, is only slightly larger than the ordinary electric typewriter and has the advantages of the regular Ozalid models.

The new machine will copy letters, accounting statements and reports, purchase orders, bills of materials—anything that is written, typed, printed or drawn on a sheet



*NEW DRESS, styled by Techniplan, L-shaped steel stations made by The Globe-Wernicke Co., Cincinnati, and installed in the offices of the corporate accounting and tax division of the controller's department of Esso Standard Oil Co., New York City. So appreciable was the saving of space that four members of the group formerly located in adjacent office space were brought into the work area, and there still was room for two more Techniplan units. The move also permitted concentration of work papers and records needed daily by each accountant.*

of translucent paper up to 9" wide, any length. A first copy is ready in seconds; up to 200 copies can be made in an hour.

The Bambino was shown in September at the American Chemical Society meeting in Chicago, and at the Controller's Institute Meeting in Boston.

*Ozalid Division of General Aniline & Film Corporation, Johnson City, N.Y.*

### Direct Process Duplicator Of Ditto for Low-Price Field

**T**HE new Ditto D-11 Electric Direct Process Duplicator is produced for mass use at low price.

The new D-11 is rugged, has power drive equal in quality and performance to the most expensive power drives found in duplicating machines. Its power clutch is the same as used on Ditto's higher priced machines. The machine can be used for hand feed, if desired, by a simple tripping operating handle.

The D-11 employs the Ditto direct

process duplicating principle. There are no stencils to cut, no type to set, no mats to sensitize. It will reproduce two copies a second of anything typed, written, drawn or printed through duplicating carbon, in as many as five colors in one operation. Copies can be made on any weight paper from 16 lb. to heavy card stock and in any size up to 8½" x 14".

A disappearing receiving tray streamlines the machine. The reversible feed tray facilitates the handling of long and short sheets. Quick shift paper guides provide instant adjustments for various size forms. Swinging feed rollers make refilling the paper tray a speedy operation. Stainless steel parts guard against corrosion.

The surface is velvety smooth, of gunmetal gray, stain resistant and easy to keep clean.

*Ditto, Incorporated, 2243 W. Harrison St., Chicago 12.*

### Automatic Grand Total and Square Root Friden Models

**F**RIDEN is exhibiting its complete line of automatic calculators, including the Automatic Grand Total and Automatic Square Root models.

The Automatic Grand Total machines are capable of storing individual extensions in the accumulating dials with merely the touch of a single key. Regardless of possible copying errors by the operator, the ACG provides an accurate total of all extensions. The Grand Total model also features automatic half-cent adjustment, whereby each ex-

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*The equipment reports herewith are only representative of the vast variety of products being exhibited at the National Business Show.*

*Letters requesting data were broadcast to exhibitors named on a preliminary listing. With our deadline for this issue considerably earlier than the opening of the show, the article necessarily could include only such replies as had been received by the given date.*

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tension is automatically rounded off to the nearest full cent without attention from the operator. Other exclusive Friden features include the separate multiplier keyboard with its cumulative and negative multiplication, "magic division" with automatic decimal point, keyboard and individual column locks, and split dial clearance and dial accumulator locks.

The Friden Automatic Square Root Calculator extracts the square root of any number set on the keyboard, with the touch of a single key. The root appears in the dials almost instantaneously, and may be retained in the machine for further calculation if desired. The Friden Model SRW also has other time-saving features enabling it to do many kinds of figure work without operator decision.

Friden Calculating Machine Co., Inc., San Leandro, Calif.

### Complete Seated Operation With Multilith Model No. 81

**R**E-ENTERING the National Business Show after five years and so with less priority for space than anticipated, Addressograph—Multigraph Corporation is featuring its standard equipment.

A new multigraph duplicator on display—the Multilith Model 81—offers complete seated operation with side delivery and simplified controls. Also, a Multigraph Duplicator Multilith Model 1250, on display, features a wider image area, compensating cylinder for various thicknesses of paper, more feeler fingers and gripper controls, plus many other changes which increase the operator's productivity through more accuracy and ease of control.

Addressograph—Multigraph Corporation, 1200 Babbitt Road, Cleveland 17, Ohio.

### Globe-Wernicke Cello-Clip File for Heavy Materials

**H**OW to "File the Unusual" is the theme of the Globe-Wernicke Co.'s exhibit.

Featured is Globe-Wernicke's patented Cello-Clip steel file, which permits vertical hanging of large sheets up to 36" x 65", such as art work, multilith plates, blue prints, swatches and X-rays. The Cello-Clip principle, as well as visible record equipment, is being demonstrated.

The regular Cello-Clip, easily attached, grips the sheet tightly and is instantly slipped on and off the horizontal rod. For material too heavy for the Cello-Clip Group

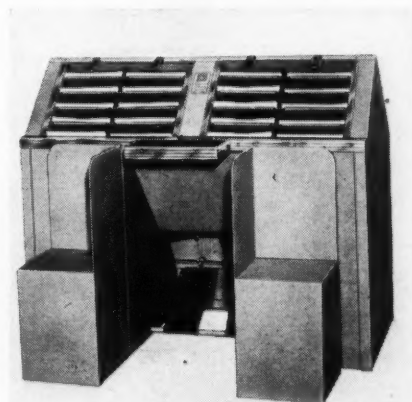
## Some Signs of the Equipment Times



New 10-key Monroe adding machine, Model 611-11-011



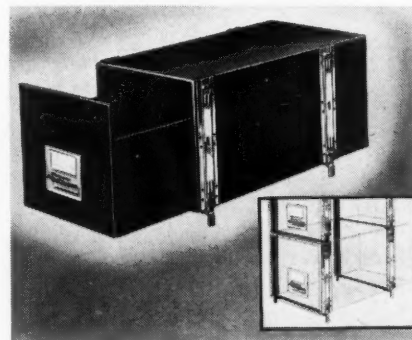
Bruning's No. 15 Copyflex, one of four models on display



Thomas' 20-age tandem collator, two sections, 10 bins each



IBM Electric Card Punch, with self-checking number device



The Staxsteel, newest transfer file of Bankers Box Company



Ozalid's Bambino, designed for small volume direct copying

Holder there is the Cello-Clip Group Hanger, consisting of two strips of wood held together by screws passing through the strips and the sheets between them. The strips are suspended from the rods by two metal hooks.

The Globe-Wernicke Co., Cincinnati 12, Ohio, has a permanent showroom at 220 E. 42nd St., New York City.

### New Electronic Computer Shown by Remington Rand

**T**HE latest developments in its complete line of equipment for the office are being featured by Remington Rand Inc.

Heading the list in interest is one of the new electronic computers, the comprehensive data processing systems which are on the threshold of

(Concluded on page 38)

# TRENDS — —

## IN BUSINESS AND FINANCE

### NO IVORY TOWERS

REITERATION that the excess profits tax will be allowed to die December 31st, the end of the current period of grace, and reassertion that the 10 per cent income tax reduction will go through as scheduled were the contributions of George M. Humphrey, secretary of the treasury, in a tripleheader appearance of top men in Government before the American Bankers Association in its 79th annual convention, in Washington.

Sound money, Secretary Humphrey said, is the need of both economic and military security and is based upon a proper budget policy, a properly functioning Federal Reserve System, and proper debt management.

President Eisenhower told the bankers his Administration is not one that "sits in an ivory tower of lonely isolation and gives words of wisdom that all others must obey or be wrong." Instead, he declared, "we are here to learn."

Ezra T. Benson, secretary of agriculture, urged a more realistic farm policy, one that will place the farmer on a more self-reliant basis.

Declaring that "we have turned the corner in attempting to get our Government's finances in hand," Secretary Humphrey pointed out that "for the first time in the last few years we are planning to spend less this year than in the year before. The sharply rising curve in federal spending has now turned downward."

A tax-sensitive nation had greeted with varying reactions earlier words of the President (Boston) that no sacrifice in taxes would be too great for world peace. Secretary Humphrey quieted the alarmists with his assurances. On the other hand, business was fidgety over reports of high level meetings in Washington to explore the question of a federal sales tax at the manufacturers.

To the boards of governors of the world bank and monetary fund, in a message ready by Secretary Humphrey, who is U.S. governor of the world bank, President Eisenhower addressed assurances that foreign governments can count on this nation's support of international efforts to stimulate trade, develop resources and stabilize world currencies.

Eugene R. Black, president of the world bank, cautioned that so long as the United States maintains high tariffs, Europe will find it difficult to balance its foreign trade, and underdeveloped countries will be at a disadvantage in seeking new markets for their raw materials.

### Not Easy But Interesting

BUSINESS to come "will not be easy but it will be interesting," in the opinion of P. S. Gerot, president of Pillsbury Mills, Inc., Minneapolis. In the food business "a very competitive era is ahead," he predicts, but he finds no reason for discour-

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### Thanksgiving

Our fathers' God, from out  
whose hand

The centuries fall like  
grains of sand,

We meet today, united,  
free,

And loyal to our land and  
Thee,

To thank Thee for the era  
done,

And trust Thee for the  
opening one.

—John Greenleaf Whittier

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agement. He calls leveling off in business since Korea "probably a good thing," and points to "some rather important economies effected by the Administration."

### One Version of Prospects

FORECASTS for waning 1953 by United Business Service of Boston: Relatively high level business; production slightly downward; relative stability of average wholesale prices, and sidewise movement of industrial prices with some concessions; lowered fourth quarter output of autos; ample supplies of steel with some lessening of demand; some slowing in building, but full-year volume \$1.7 billions over 1952; total fall retail sales dollar volume at least equal to same period a year ago; higher demand for money and credit, with money markets tight; total fourth quarter corporate earnings and dividends like '52 period.

### Errors Will Cost More

NO LONGER may business count on continuous inflation to recover its fumbles, and so business errors will cost more, in the opinion of Norman Strunk, executive vice president of the United States Savings and Loan League.

The executive told members of the Illinois Savings and Loan League in annual session that "the method by which top monetary experts hope to avoid a later crisis is, in effect, to postpone some of the demands of industry and consumers," with "adjustments deliberately created."

Preservation of home construction and home financing against pressures for socialization calls for a countrywide campaign of public relations to educate the people. Such a program is being formulated by the Savings and Loan Foundation, said A. R. Gardner, former president of the Federal Home Loan Bank of Chicago and now on President Eisenhower's advisory committee on government housing policies.

### Downtown vs. Faubourg

WITH ALL DUE RESPECT for the modern branch store and the vast population swing to suburban areas of cities, the downtown department store is not doomed, in the opinion of President Wade G. McCargo of H. V. Baldwin Company, Richmond, Va., who heads the National Retail Dry Goods Association.

This problem facing downtown business areas will be licked by the business men and women who have survived three wars, "the greatest depression America has ever known, and the grossly mismanaged government price regulation bureaucracy," Mr. McCargo told the Downtown Businessmen's Association of San Diego. He likened the downtown department store to the parents in a family, the perimeter stores to children getting continuous practical guidance from their sires. Chicago's Marshall Field & Co. announced plans to add a new department store in Milwaukee; Carson, Pirie, Scott & Co. ditto in Wilmette, Chicagoland.

### Poor Little Schoolhouse!

A COMPLETE electronic accounting system for the largest business organizations is fulfilling a dream of engineers by combining automatic devices worked out for radio and



television, according to David Sarnoff, chairman of the Radio Corporation of America.

A single electronic computer, he added, can do the combined accounting of receivables, payables, purchases and stock controls of merchandising organizations. It not only can add, subtract, multiply and divide, but it can "memorize" the results so that they are immediately available for another operation.

Mr. Sarnoff goes a step farther and forecasts electronic high speed reading and writing. What then, little red schoolhouse, with your three little black R's!

#### Retirement at ?? Years

COMES NOW the decision of the Parker Pen Company at Janesville, Wis., to do away with compulsory retirement of employees at 65 years. Says President Bruce M. Jeffris of compulsory retirement:

"In far too many instances this has proved harmful or costly to both the employee concerned and the firm with which he is working. If one of our employees wants to continue working after he is 65, we find no reason for enforcing an across-the-board policy of mandatory retirement if he or she is physically able to work. And we're willing to pay this bonus for mature experience, one of the most valuable resources of American industry."

Under the company's new pension and retirement plan, the employee will receive a sum commensurate with his years of company service and "the station in life he has reached by his efforts."

#### When Capital Goes Stepping

FOREIGN COUNTRIES must take the initiative to establish satisfactory investment conditions if private American capital is to be attracted abroad, in the view of Dr. Marcus Nadler, consulting economist in The Hanover Bank, New York City.

"So long as many foreign countries look upon foreign investors as exploiters, and fail to realize that such investments must be to mutual advantage, capital will stay at home," says Dr. Nadler. He suggests three solutions to the dollar shortage through American investments overseas: stimulus by tax alleviation, increased ability of the International Bank for Reconstruction and Development to make loans abroad, and rectification of imbalance in the economies of various nations.

*Ernest A. Rowlett*

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the credit problem  
since the  
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OFFICES IN PRINCIPAL CITIES



# A Problem for the Book and How It Was Solved

## A Feature Series on MANAGEMENT AT WORK

*Customer's supply of raw materials cut off—operations practically at standstill—working capital depleted—How to help him reestablish a flourishing business?*

**V**IEWING in retrospect the dislocation that occurred in many businesses in the early stages of World War II points up the fact that it can happen again.

The problem was: How should a creditor approach a fair and just solution for a debtor who had no control over the factors causing a stalemate in the operations of a concern hard hit due to a war economy?

Past loyalties, performance and goodwill all dictated patience and consideration of a debtor's predicament. Future prospects, plus a desire to help what had been a solid account get back to a healthy condition, were also determining factors.

Late in 1941, one of our customers faced a gloomy situation with these bleak elements:

- (1) Business considered non-essential to war effort;
- (2) Raw materials unavailable or in short supply;
- (3) Labor supply acutely short;

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**G**RADUATE of the *Spencerian School of Business, Cleveland*, M. J. Bender became interested and active in credit work with Chase Bag Company, Buffalo branch, in 1925, and helped build the foundation of his career by attending several seminars conducted by the New York Institute of Credit. Transferred from Buffalo to New York in 1932 to assume the duties of general credit manager, he was appointed assistant secretary in February, 1945.

Mr. Bender has been a member of the New York Credit and Financial Management Association and the Foreign Credit Interchange Bureau since 1933.

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**SOLVED!** E. K. Ludington, Jr. (right), vice president of Chase Bag Company, New York City, and M. J. Bender, assistant secretary and credit manager, see that the program for handling the credit problem was successful. (Photo by Stettner, New York)

(4) Normal outlets converted to defense production;

(5) Bank credit restricted.

The classification of the business as non-essential carried with it dire effects. Most of the raw materials normally converted into end products were diverted to essential industries. To complicate the problem, the small town's labor supply was drained off and absorbed almost entirely by a Government ordnance plant there. Some non-essential raw materials were still available, but normal outlets had evaporated due to conversion to defense production.

Here was a customer who always had maintained a satisfactory paying record; the enterprise was flourishing under sound management, adequate capital and civic responsibility. All of the qualities denoted by the three "C's" of a tip top credit risk were inherent to a high degree.

In 1941, sales to this account

amounted to \$16,000, of which \$6,000 was past due as of December 31st. All signs pointed to a total collapse. We were the largest creditor; fortunately other creditors were few in number and with nominal amounts due. Here, to our mind, was a classic example of a situation that called for special treatment, belying the old adage: "The wheel that squeaks the loudest gets the oil."

After several conferences, we suggested that settlement in full be made to the other creditors. Having full confidence that the ability and conscientious efforts of our customers, given a fair chance, ultimately would surmount the many obstacles confronting him, we decided to mark time. A spirit of forbearance and unqualified cooperation, it seemed to us, was the constructive approach.

To force the issue probably would have resulted in bankruptcy or liquidation and most likely the loss of the

indebtedness or a large part of it. More importantly, a business that might be rehabilitated would have gone under. In our case, we would lose a customer in the long run.

#### Note and Standby Agreement

The problem was resolved in the following manner:

- (a) Outstanding amount December, 1941, \$6,000, was reduced to note form.
- (b) Standby agreement provided for payment when funds became available.

During 1942 and 1943 the account was dormant so far as we were concerned. However, the debtor carried on the best way possible. Operations began to show some life in late 1944, with continual improvement from that point on. Payments on account were received in February 1944, December 1946, January 1947 and final payment with interest in November 1948.

Obviously the customer achieved a sensational comeback. Since 1944 to date the activity of the account has been consistent. Sales for the last nine years total \$201,000. All invoices have been discounted for several years. The company enjoys a first-class credit rating, with favorable balance sheet ratios on all counts.

#### Soft Goods Move Ahead

THE TENDENCY of several months for soft-goods lines to show slightly more favorable reports than hard goods applies generally to recent sales and output, perhaps also to inventory record under proper interpretation, says the Cleveland Federal Reserve in its "Business Trends."

#### What Shareholders Think

MOST shareholders prefer a mixed dividend policy combining stock and cash, and favor a single certificate at year-end when a stock dividend is declared, the management of the Ferro Corporation of Cleveland learned from an opinion survey of 3,600 stockholders of the company, analyzed by the engineering department of the Case Institute of Technology.

Twenty per cent of the replying 37 per cent of the shareholders have incomes under \$5,000, and 40 per cent have more than \$10,000 a year. An overwhelming proportion endorsed the corporation program of diversification and growth, plus investment of company funds in new ventures.

# Whether your business needs \$25,000 or Millions

## get in touch with Commercial Credit

IF INADEQUATE working capital is curtailing your progress and restricting your profits—if doubts about continuing available funds are hampering or delaying plans for your future, get in touch with COMMERCIAL CREDIT.

COMMERCIAL CREDIT assures you quick action—funds usually available in 3 to 5 days—no matter where you are located in the United States. You enjoy all the advantages of taking in partners or selling stock—without the disadvantages. No interference with ownership, management or profits. You pay no preliminary charges. Your cost is further minimized because you pay only for the money you use as your need varies. The single COMMERCIAL CREDIT charge is a tax deductible expense. Once set up, the plan functions automatically for months or years.

Manufacturers and wholesalers are using COMMERCIAL CREDIT's method to supplement operating cash at the rate of 600 MILLION DOLLARS this year. We'd like to send you complete facts about the advantages this method offers your business. Write or wire the nearest COMMERCIAL CREDIT CORPORATION office listed below and say, "Send me information about plan offered in *Credit & Financial Management*."



**Cash Quickly**, usually in 3 to 5 days no matter where you are located in the U.S.



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BALTIMORE 1—200 W. Baltimore St. CHICAGO 6—222 W. Adams St.  
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SAN FRANCISCO 6—112 Pine St.

A Service Available Through Subsidiaries of  
**COMMERCIAL CREDIT COMPANY**  
Capital and Surplus Over \$135,000,000



## Exemption of Standard Commercial Articles from Renegotiation Is Urged

**G**OVERNMENT sales of standard commercial articles should not be renegotiated, says C. W. Kable, Jr., chairman, tax committee, American Cotton Manufacturers Institute, Inc., New York. Mr. Kable, who is secretary and assistant treasurer of Deering, Milliken and Co., Inc., declares that any extension of the Renegotiation Act should be on the basis of the exemption of standard commercial articles. He urges businessmen to write their senators to support a proposed amendment of the Act to make such exemption mandatory.

"The Senate Finance Committee should be commended," says Mr. Kable, "for the constructive change it has proposed to House Resolution 6287," passed by the House this summer. The measure as voted by the House would extend for one year the Renegotiation Act of 1951, which otherwise would die on the coming December 31st, but provides for permissive exemption of standard commercial articles, in the discretion of the Renegotiation Board.

When this bill was reviewed by the Senate finance committee, the exemption of standard commercial articles was made *mandatory* "unless the Board makes a specific finding that competitive conditions affecting the sales of such articles are such as will not reasonably protect the Government from excessive prices."

The finance committee also defines standard commercial articles as being generally (1) those substantially identical to articles made prior to June 1, 1950, or (2) those substantially identical to articles currently sold as competitive products by a number of manufacturers, or (3) those which are the subjects of prime contracts taken pursuant to competitive bidding.

The amended bill was not voted on by the Senate before it adjourned in August, but undoubtedly will be considered when the Senate reconvenes next January.

### Exemptions Were Not Granted

"When Congress was considering enactment of the Renegotiation Act of 1951," Mr. Kable explains, "it was claimed that the law would correct excessive prices paid by the Government which had been hurriedly

fixed without proper cost estimates, in many cases for items new and unfamiliar to the contractors. The law provided for the permissive exemption of contracts not having direct connection with national defense. Though the legislative history of the law justified the exemption of standard commercial articles, such as textiles, spark plugs, cigarettes, tooth paste and chewing gum, the board never granted such exemptions.

"The mandatory exemption of standard commercial articles (written into the HR 6287 by the Senate finance committee) is eminently fair and equitable, and is certainly within the intent of the Renegotiation Act of 1951.

### Renegotiation Costs Cited

"Renegotiation is an extremely expensive process, administratively, to contractors and to the Government as well. Even if clearances have been granted to most contractors selling standard commercial

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*If a man removes his hat in an elevator, he has one of two things—good manners or hair.*

—Anonymous

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articles, it has been necessary to clearly and carefully document the files as to the reasons for such action. This requires the submission of detailed data, followed by lengthy conferences. As a result, the failure of the Renegotiation Board to 'pay its way' has been under heavy fire by Congress.

"The board could actually make a much better showing and do a much better job, if it could concentrate on the contracts directly associated with the nation's defense effort, for atomic weapons, submarines, tanks and planes. Then, too, the public accountants for the manufacturers of standard commercial articles would be relieved of the necessity of making hazy, inconclusive statements regarding possible liability for renegotiation.

"If the Renegotiation Act is extended at all, it should be on the sound basis proposed by the Senate finance committee whereby standard commercial articles are exempt."

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*Scientists are not sure whether splitting the atom was a wise crack or not.*

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### Panel and Industry Sessions At Controllers Institute Meet

A panel of company controllers, answering questions posed by undergraduates from 12 colleges, shared honors with 16 industry conferences and addresses of guest speakers from the U. S. cabinet and private business, at the conference of financial officers of 1,500 companies at the 22nd annual meeting of the Controllers Institute of America, in Boston. Professor Ross G. Walker of Harvard University's graduate school of business administration, presided over the panel; the moderator was Christian E. Jarchow, executive vice president, International Harvester Company.

Sinclair Weeks, secretary of commerce, discussed the business outlook at the opening luncheon. Clarence Manion, chairman of the U. S. Commission on Intergovernmental relations and retired dean of the University of Notre Dame college of law, had as his topic at the annual banquet "The Constitution Is Your Business." Presiding was Edmund L. Grimes, executive vice president of the Commercial Credit Company, Baltimore, and retiring president of the Institute.

Among the many other speakers were Joel Barlow, partner, Covington & Burling, Washington law firm; Ronello B. Lewis, Radio Corporation of America; Edward C. Hunt of the Hanover Bank; Charles Z. Meyer, First National Bank of Chicago; Murray Shields, Bank of the Manhattan Company; Donald Kelso, president, Norton Behr-Manning Overseas, Inc.; William S. Swingle, president, the National Foreign Trade Council; J. Karl Fishbach, City Stores Company, New York; John H. Wyllie, Howard D. Johnson Co., Wollaston, Mass.; Reginald W. Porter, Van Norman Co., Springfield, Mass., and Dr. Ruth Alexander, columnist.

A. L. Fowler, of Day & Zimmermann, Inc., Philadelphia, was elected president of Controllership Foundation, Inc., the research arm of the Institute.

### Advertising at New High

An all-time record investment of \$7,149,700,000 in national and local advertising last year represented a gain of \$653 millions, or 11.3 per cent, over 1951, *Printers' Ink* notes.



# Credit As Right Arm of Sales, Not as Millstone, Is Responsibility of Treasurer, Declares Executive

SEEING TO IT that the credit department becomes the right arm of the sales department and "not

a millstone around its neck" sums up in part the chief functions of the treasurer of a company, in the opinion of Edward F. Neubecker, assistant treasurer and assistant secretary of the Burroughs Corporation, Detroit.



E. F. NEUBECKER

Since sales represent revenue, the pressures on the credit department are very great," Mr. Neubecker explains. "Usually the sales department feels that a sale is completed when the order is obtained. Sales figures ordinarily reflect orders obtained, not orders delivered and paid for. On the other hand, the credit man does not like to be asked to approve an order which he feels represents too large a credit risk. Nevertheless, I am sure that most sales and credit departments do cooperate closely for maximum sales volume with minimum credit losses."

## Certain Fundamental Differences

While many interests of the credit manager and the treasurer are mutual and overlapping—many companies merge the responsibilities of the two jobs in one person—there are certain essential differences, Mr. Neubecker told the Philadelphia conference of associated manufacturers of stationery, office and school supplies and kindred industries. Both, however, "look to the broader aspects of credit and to those factors and conditions which have a bearing on the general credit policies established."

"A corporate treasurer is usually an elected officer and, in the absence of a finance committee or a vice president in charge of finance, is responsible to the board, generally through the president or chairman. The basic relationships are therefore generally described in the by-laws of the corporation. The corporate treasurer therefore has an interest in matters which on the

surface would seem to be outside the orbit of credit and collections, yet are in fact related to them," he points out, and notes an oil company survey showing that most corporate treasurers actually are charged with general administration of credit policies and are largely responsible for determining the types of credit utilized in the company operations and its selling terms.

Mr. Neubecker lists five credit procedures a treasurer is responsible for establishing, "very often on the recommendation of the credit manager":

- (1) Sources of credit information data: credit interchange reports, mercantile or special agency reports, and experience of banks, other creditors and the company's own sales department;
- (2) Relative weight to be given

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*"So long as profits continue at a level or increasing rate, companies can use their current profits to pay their tax bills on the previous year's income. Should a year come when profits decline sharply and other sources of cash will be needed, in many cases it will be the creditors who will provide the money in the form of larger and longer-term receivables, often without the prior knowledge and consent of the creditors."*

—E. F. NEUBECKER

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financial and other data in determining the amount of credit;

- (3) General procedure and policy in handling delinquent accounts;

- (4) Delegation of responsibility for collections, especially where sales outlets are widespread geographically;

- (5) General reporting procedures from the credit department to the treasurer.

"Another major function of a corporate treasurer," the executive adds, "is the preparation and consolidation of the company's budgets relating to cash and cash requirements." Linked with this is necessarily a knowledge of the company's plans and their effect on corporate financial requirements—and the ability to translate them "from

sometimes nebulous form to specific terms."

He must know the company's plans for release of new products and changes in existing products and their effect on the credit procedure. He must also know of any contemplated changes in the company's marketing program and corresponding effect on cash needs.

Mr. Neubecker as an example cites Burroughs' new program of a year ago for marketing certain products through dealers—independent stationery, office supply and equipment dealers. "An initial requirement was establishment of a complete procedure for reviewing dealer applications and determining a credit limit for the field organization. Involved also were procedures for policing delinquent accounts, followups, and liaison with the sales department in handling 'tough'

cases," necessitating major policy decisions on credit at each step. The program "also confronted us with a substantial increase, on a permanent basis, in our cash requirements for handling open accounts."

Equally important factors affecting credit administration, Mr. Neubecker says, "are such outside influences as changes in general economic conditions—we appear to be approaching a period of readjustment"—seasonal changes in credit requirements, corporate tax payments, and changes in interest rates.

Tied to these factors are the treasurer's responsibilities in preparation of forecasts of the company's cash, and analysis of the trends of cash receipts, disbursements and balances, including estimation of

company profits and taxes payable. "Here again," he observes, "the credit department can be of invaluable help."

#### Highlights of Business Trends

In this connection, Mr. Neu-becker cites the unparalleled general business and economic expansion of the last few years, the high rate of savings and employment, record plant and equipment expenditures. On the side of caution he calls treasury and credit department attention to the fact that "even a small decline in defense and plant expenditures would contribute towards some decline in business." He notes an economist's reference to the relatively high level of ratio of debt to income, but feels that "against the rising size of our economy and volume of commercial transactions, the volume of consumer credit and instalment credit outstanding does not appear unduly large," with the percentage of disposable income mortgaged in repayment of instalment credit roughly comparable to the ratios which existed pre-war."

"Out of the mass of information and commentary must somehow come an evaluation by the treasurer of the effect of these outside conditions on his company's financial operation," and a continuing analy-

*"A management leader of outstanding industry, ability and civic worth, who has done much to strengthen and preserve the free enterprise system." . . .*

*This tribute to John Stryder Coleman, president of the Burroughs Corporation, was a feature of a recent issue of the National Biographic, published jointly by the American Institute of Management and the educational division of "Who's Who in America" for distribution to high school students and 2,000 colleges and universities.*

*Noting that Mr. Coleman's business years "changed him from an opponent to a whole-hearted believer in the free enterprise system," the writer recalls that as a young employee of the Federal Government in Washington Mr. Coleman "got a clear picture of the staggering amount of statistical computation involved in accounting work and of the tedium attached to accomplishing it,"—and went on to convince the chief of federal accounting to order \$1 million worth of equipment from the adding machine company.*



**DIRECTING PROGRESS** of the Little Rock Wholesale Credit Association this year. Seated (l to r): G. A. Zimmerman, Worthen Bank & Trust Co., association treasurer; Mrs. Katherine E. Mosentbin, secretary-manager; Walter Skipper, Stebbins & Roberts, Inc., president; C. J. Giroir, Swift & Co., first vice president. Standing: Directors Frank Aldrich, Cash Wholesale Co.; B. F. Runyan, Rand Wholesale Grocery Co.; Charles N. Wise, Arkansas Radio & Appliance Co.; A. W. Waldo, Fones Bros. Hardware Co.; Mrs. W. N. Brandon, Sr., Brandon Co. A. O. Thompson, J. A. Riggs Tractor Co. Not in picture: E. E. Martin, G.M.A.C., second vice president; C. L. Lee, Arkansas Foundry Co., director; and Mrs. Marjorie Knowlden, Kern-Limerick, Inc., director.

sis, modifying his forecasts to new changes.

How Burroughs capitalizes on the close relationship between Sales and Credit (in this case the treasury department) is brought out in Mr. Neu-becker's description of the company's functioning system.

"Burroughs' sales distribution for years has been effected through 125 factory-owned branches located countrywide. Our sales are made to business concerns ranging from banking, manufacturing plants, utilities and government establishments, to distribution, wholesale and retail concerns; from the large company to the corner grocer.

"The taking of a customer's order is the responsibility of our branch manager, his acceptance or rejection based on his general knowledge of the prospective customer's financial condition and his credit standing in the community.

"Sales of our machines are on a title-retaining contract, when our order forms are used, whether the sale is on instalments or 30-day account. Our service agreement contracts are billed in advance for semi-annual periods, and our other service billings are for repair work, most of which involves nominal charges.

"Our safeguards in the control of accounts include these:

(1) "We have established certain minimum down payment requirements in case of instalment sales of machines.

(2) "Our accounting department prepares periodic reports on the

status of accounts of the company.

(3) "Our branch manager and the sales and service force are held responsible for the collection of accounts. In unusual circumstances we may even charge back a portion of a loss to the salesman.

"Our own losses have been remarkably low, due partly to our ability to repossess machines. While I do not recommend this method of operation for other concerns, the point is that it is our treasurer's responsibility to give general administration and guidance to the company's policy on credit extension and to its application in our sales operation. Only our ideal relationship would enable us to have this kind of experience."

#### Not Thinking About Speed Increases Speed of Typists

Impressing upon electric typists the truth that speed is cut down by every false move and error has produced astonishing results, in tests conducted by the I.B.M.-trained teachers at Bryan & Stratton College, Chicago.

Forty electric typist students from business establishments took an experimental 10-minute test at the beginning of the first classes. The results ranged from no net words per minute with 42 errors, to 63 net words with 17 errors. When the carry over bad habits from their manual typing days had been corrected, and the time-saving advantages of the electric typewriter had been learned and applied one problem of lost motion in office work procedure was solved.



**Robert Morris Associates  
Elect T. W. Johnson**

T. W. Johnson, vice president of Security-First National Bank of Los Angeles, is the new president of Robert Morris Associates, elected at the annual meeting in Philadelphia and installed with other new officers and directors at the Fall Conference in Atlantic City, N.J.



T. W. JOHNSON



E. F. GEE



J. T. OVERBEY

Robert Morris Associates, established in 1914, is the national association of bank loan officers and credit men and is made up of more than 2,200 individuals representing 21 chapters with a membership of more than 750 banks in the United States, Canada, Puerto Rico, Alaska and Hawaii. The organization and its members operate in close liaison with the National Association of Credit Men.

Named first vice president was Edward F. Gee, vice president and secretary of State Planters and Trust Company, Richmond, Va. The new second vice president of the association is James Thomas Overbey, senior vice president of The First National Bank of Mobile, Ala.

Mr. Johnson was a national director of Robert Morris Associates in 1948-50, second vice president 1951-52 and first vice president last term. He has served on various committees and has lectured at the Coast Banking School, conducted at the University of Washington by the American Bankers Association. Mr. Gee, past president of the Carolina-Virginias chapter, R.M.A., and member of several committees, has taught economics, credit administration and accounting at the University of Richmond evening school of business administration and at the Virginia Mechanics Institute. Mr. Overbey, charter member of the Southeastern chapter and its president in 1949-50, also a national director, has conducted courses at the American Institute of Banking.



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# Query: Is Secured Distribution Possible?

**Answer: Yes, with Field Warehouse on Customer's Premises**

**I**S secured distribution possible? This question is asked increasingly by both the credit manager and his "best friend and severest critic"—the sales manager. Reaching expanded sales quotas is comparatively simple for today's sales executive, provided the credit manager will go along with him on a program of expanded credit. But the latter finds it increasingly difficult to expand credit in many instances because inflated inventory values, continuing high income taxes and the rising cost of doing business are lessening available working capital at the distributor level.

There is a plan effectively used by the Lawrence Warehouse Company, nationwide field warehouse operators, which will permit a supplier to ship goods to his customer on a basis of guaranteed bonded security. Lawrence calls this plan "Secured Distribution," and has applied for a service mark registration of the term.

The basis of the security of any merchandise shipped under the plan is a field warehouse on the premises of a distributor.\*

\*Installation and operation of a field warehouse for credit purposes is described in detail in the booklet, "Study on Field Warehousing for the Credit Executive," published last year by the Credit Research Foundation of the National Association of Credit Men.

By **LAWRENCE S. COATES**  
*Executive Vice President*  
Lawrence Warehousing Company  
Chicago, Illinois

It can be established in any room, yard, tank-farm, bin, or other area normally used for storage purposes, and may include an entire warehouse building. The field warehouse company comes into possession of the premises through lease with the distributor, then employs an experienced warehouse man from the client's personnel as bonded warehouse custodian.

Thus the warehouse company establishes its position as "bailee for hire" at the demised premises, and places itself in a position to act as a custodian of any goods placed in the area. The nominal service charges of the warehouseman usually are borne by the distributor.

#### *Solution of Short Working Capital*

The original intent of field warehousing was to permit a manufacturer, processor or distributor to borrow money from normal credit sources, using as collateral the warehouse receipts issued on the stored goods. This credit tool has grown into a billion dollar business the last 40 years, but more important is its solution of the short working capital position of many distributors.

The sales manager of a manu-

facturer of appliances pointed the problem before a group of bankers.

"An average appliance dealer today," he said, "has about 13 major items to handle, and they are very complex machines. For example, an electric refrigerator that makes ice cubes has four temperature zones; it has timers and thermostats. An appliance dealer, therefore, instead of being able to start in business with three or four thousand dollars now needs \$22,000 to display a fairly complete line with only one model of each. And the distributor has the same problem in proportion."

Thus national and regional suppliers find themselves faced with peak production versus inability of sales outlets to finance adequate and balanced inventories. Today's customers are not inclined to wait for factory deliveries. Keen competition makes delivery from the floor the only sure way to tie up a sale.

Distributors who rate high with the sales department but lack adequate working capital to widen their credit standing are divided by warehouse executives into two general groups:

**1.** Distributor A, who is undercapitalized but through careful operation manages to keep a credit rating of "fair to good." He refuses to order the full line because  
(Continued on opposite page)



**ON-THE-SCENE** picturization of the physical aspects of a warehouse concern in operation, this the Lawrence Warehouse Company with its nationwide system. At left: shipping cases delivered by a fiber board company to the field warehouse on the premises of a canner. The canner draws cases in season as needed, with regular discount terms from date of delivery from the field warehouse. Right: inventory of fertilizer held by the warehouse for a supplier pending delivery to the distributor.





**LAWRENCE S. COATES**, executive vice president of the Lawrence Warehouse Company since 1943, had joined Lawrence Warehouse Company in 1923 when the industry was in its infancy. From the Pacific Coast, in 1928 he went to Chicago to organize the Mid-Continent division. Four years later he became vice president, and in 1941 he was made a member of the board of both the Lawrence Investment Corporation and the Lawrence Warehouse Company.

he can't afford to pay for it, and so misses discounts and sometimes falls in arrears. He would increase sales immensely if he could finance full line inventory.

**2.** Distributor B, who has practically no working capital. He is honest and a crackerjack sales outlet, but can afford only token inventory. Constantly in arrears, his general rating does not justify a line of credit. The sales department insists on delivery because of volume of sales potential in strategic market area.

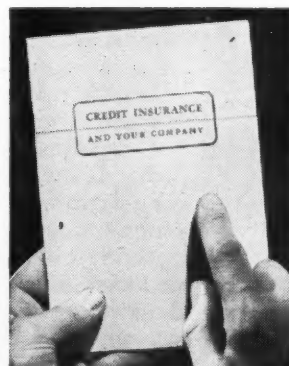
Two plans have been developed by Lawrence for "securing distribution" in such situations. For Distributor A with the "good" credit rating there is Plan One, under which the supplier ships merchandise to the distributor, who in turn places it in the field warehouse on his premises. The latter, by previous agreement, issues a warehouse receipt to the supplier, who thereby obtains a security interest in the merchandise. The supplier bills his customer on his usual invoicing procedure, and the shipment goes on the supplier's books as a regular receivable.

Because he holds the warehouse receipt, the supplier now controls movement of the goods. He may  
(Concluded on page 32)

*The prime purpose of American Credit Insurance is to guarantee the value of Working Capital invested in Accounts Receivable.*

**There are twelve major contributions that American Credit Insurance coverage makes to maximum sales efficiency and sound financial management.**

**O**UR booklet gives essential facts about these important benefits quickly and simply. May we mail you a copy? Phone our office in your city or write **AMERICAN CREDIT INDEMNITY COMPANY of NEW YORK**, First National Bank Building, Baltimore 2, Md. Just say, "Mail me book offered in *Credit and Financial Management*."



*Credit Insurance is a Credit Tool... It is never a Substitute for a Credit Department*



**American Credit Insurance**



**TWO VIEWS** of General Electric office lighting systems in operation. Left: Louvered units contain two 40-watt fluorescent lamps and are suspended one foot below the 11-foot ceiling. The power load is  $2\frac{3}{4}$  watts per square foot and the illumination 45 footcandles. Says General Electric: Only units with low side-brightness values should be mounted crosswise in long, narrow offices where many units will be in the field of view of the workers. Right: In this office 18'x75' with 10'6" ceiling, aluminum troffers, each containing a single 40-watt fluorescent lamp, are installed on 3-foot centers. The troffers are baffled at 1-foot intervals. The illumination is 55 footcandles average in service; the power requirement  $3\frac{1}{2}$  watts per square foot.

## BETTER LIGHTING FOR CLEANER JOB

—and there was light. That is, there was after the office and credit manager and top management got together and did something about it. There was something more. Production immediately improved. More paper work was handled in the day; it was a cleaner job, more effective.

**C**OUNTLESS is the number of specific instances of this experience that could be cited, from



J. L. TUGMAN

Governmental offices to corporations to the smallest businesses. Countless also, however, is the number of managements who do not see the immediate connection between clerical labor scarcity, payroll cost, efficient operation and good lighting conditions.

Favorable working environment, with its effect on staff attitude—and health—is a larger factor in productivity, proficiency and payroll than many a department manager realizes, in his emphasis on simplicity of operation, says J. L. Tugman of the application engineering division of General Electric Company's lamp division at Nela Park, Cleveland.

"People must be disposed to do a good job through persuasion and favorable working conditions," Mr.

Tugman notes. "It all adds up in payroll costs. Even during the training period for new clerical help, the unit cost per employee is substantial. After that come the periodic raises. Somehow management must match these obligations with improved production."

The flick of the light switch starts the office day. Whatever the quantity and quality of light, here is a medium of incurrence of the payroll obligation.

"If a power break cuts off the lighting for a half hour, management fumes at the delay, comprehends the loss entailed. What management commonly fails to understand is that substandard seeing conditions impose a steady drain on the disposition to get work done.

### Accountant Department a Test

"A case in point is the close eye-work of the accounting department. Accounting offices are often large single rooms with many persons employed. The work usually entails concentrated eye tasks. Accuracy

and dispatch are required if the payroll is to be justified by production. Young folk and oldsters, with eyesight ranging from strong to weak, are expected to operate on a team basis to get things done.

"In older offices, where the lighting system may have been 20 to 30 years in service, the situation may be aggravated by large areas of dark surfaces. Dark woodwork, 'dirt-concealing,' dark paint on walls and filing cases, dark desk tops, all compound the drain on energy. In a large office of this character, workers may see lighting fixtures in their field of view as direct globs of glare. The dark areas in the decoration intensify this. Windows too, if unshaded, often are sources of glare.

"Annoying to the eyes are the dark desk tops putting the white paper of the task in high contrast. If there is a plate glass covering on such a desk, the discomfort is multiplied, imaging the lighting overhead and producing indirect glare.

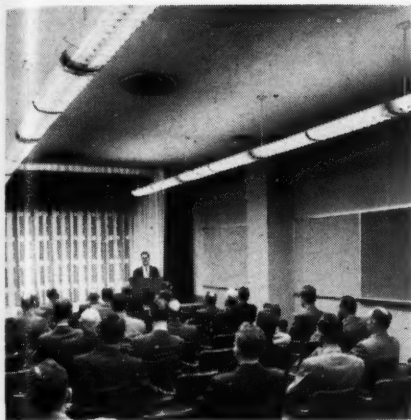
"Under such conditions we have a more expensive brake on office economy than results from the obvious interference of a power break."

The difficulties do not necessarily focus on the old and dated systems with their low reflection-factor and dark surroundings, however. There is also the fact of poor design of some new systems.

Mr. Tugman tells us of a visit recently to the headquarters of an organization with a brand new light-

**FOR** 18 years editor of the *Magazine of Light*, General Electric's publication on progress of the science, art and business of lighting, before he became trade and professional press representative of the organization, J. L. Tugman is a member of the application engineering staff of the Lamp Division at Nela Park, Cleveland.





**LIGHTING** (fluorescent) is controlled from the speaker's podium in the conference room of Westinghouse Electric's northwestern district headquarters in Chicago. Air-conditioning, an overhead sound system, comfortable chairs and a well-equipped stage, with a signal system to the projection room in the rear, provide a complete setup for both speaker and audience.

ing system. "The quality of light was high. However, in seeking to achieve a low installation cost, the engineer or office manager had selected equipment without thought to room dimensions and the character of the work. Because the offices were air-conditioned, ceiling height had been lowered to accommodate the ducts. In a relatively low ceilinged office, the low-cost, virtually exposed lamp fixtures brought masses of high brightness into the field of view from every work location.

"Thus, in office space that was air-conditioned, the lighting design failed to provide seeing comfort because the equipment did not shield the lamps sufficiently. The potential usefulness of the high levels available was largely nullified because of an elementary oversight as to comfort."

"For every organization seeking more efficient office operation, quality lighting is a great resource. The office that has well-planned illumination, adequate in quantity and quality, has an efficiency factor of significance. When the lights go on in the morning the seeing conditions will be favorable to good work."

There is nothing new about measurement tests to prove the increase of quality productivity under good lighting conditions, yet many office managers somehow fail to see the connection with their own operations. The Federal Government, for example, has undertaken test surveys and come up with conclusions that should be convincing.

Take the surveys by the Public Buildings Service. One was in an office of the Census Bureau. The lighting was 30 footcandles by indirect incandescent units. By repainting and introducing thorough lighting maintenance, illumination was raised to 40 footcandles but productivity showed no marked change. Fluorescent light, 50 footcandles, was installed. Production of punched cards increased 3.5 per cent.

In the Bureau of Internal Revenue, good quality illumination of 50 footcandles was introduced with light-colored finishes, and overall productivity went up 5.5 per cent. During the test period the work load was increased markedly, yet the number of cards processed increased 5.5 per cent. Because of the larger productivity the two tests showed that the cost of improving the lighting system is much less than that of hiring more help, with its demands for more space and more equipment.

Actual laboratory tests also have shown that lighting levels and lighting quality affect the muscular tension of employees, their rate of involuntary blinking, their "conver-

gence reserve" (ability to look cross-eyed at work within arm's reach) and even the rate of heartbeat. These functions remained near normal with illumination stepped up to at least 100 footcandles.

Incidentally, General Electric tests show that group replacement of lamps in factories and offices before burnout is a paying policy. Either of two policies is recommended. One is to set the replacement time when the lamps have been burned a fixed percentage of their average rated life. The other plan calls for replacement when lighting value has dropped to a pre-established minimum level.

### Outlays For Capital Projects

FORTY PER CENT of manufacturing companies participating in a study by the National Industrial Conference Board expect 1953 to show they have spent more for capital projects than in 1952. Thirty-three per cent say their capital expenditures will be lower than last year.

On the other hand, the number of companies that plan to reduce capital outlay in 1954 is three times the number expecting an increase (this in percentage terms).

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PM11



INTERESTED participants in the 26th annual three-day conference at Philadelphia of credit executives of Associated Manufacturers selling stationery, office and school supplies and kindred industries, were these members of the conference committee (left to right): E. F. Abbott, assistant treasurer, Carter's Ink Co., Boston; E. A. Schaeffer, credit manager, American Crayon Co., Sandusky, Ohio; P. M. Ness, assistant treasurer, Wilson Jones Co., Chicago; C. E. Schneider, credit manager, Eagle Pencil Co., New York City; G. F. Griffiths, Jr., treasurer, Noesting Pin Ticket Co., New York City; and B. E. Van Dyke, credit manager and national chairman, The Esterbrook Pen Co., Camden, N. J. (Geyer's Topics Photo)

## Special Salute to William Fox's Service Is Award as Credit Executive of Year

**T**HIRTY years of outstanding contribution to the credit profession have brought special honors to William F. Fox, treasurer of Heating Trade Supplies, Inc., Toledo, as winner of the Credit Executive of the Year Award of the Toledo Association of Credit Men.

The testimonial to Toledo's own was followed by a special attention in *Changing Times*, as one of the magazine's feature series on personalities, under the heading "What It's Like to Be a Credit Manager."

The presentation of the Toledo association's tribute was made at a dinner meeting, with President-elect Arnold Teize officiating.

Mr. Fox, past president of the Toledo organization and a member

of the board of Heating Trade Supplies, Inc., began his business career humbly enough with a finance company in his home town, and after three years entered the credit department of the LaSalle and Koch department store. He had his first experience with credit as a lad, when he collected long-standing accounts for his widowed mother, who operated a modest grocery store.

Advancing to assistant to the department store's vice-president in charge of personnel and customer services, Mr. Fox next returned to credit activity as Toledo regional credit manager of the National Supply Company. When National Supply decided to close the Toledo office, four of the personnel asked Mr. Fox to join them in forming a new concern to take over the Toledo business of National. He was placed in charge of finances of the company, which became Heating Trade Supplies, Inc.

Education and training are emphasized in the policy of the management, also public relations, as media of creative operation. Mr. Fox's assistant, Roger Kirk, has taken credit courses at the University of Toledo. Mr. Fox is past exalted ruler of the Toledo Elks Lodge.

### Heads E.C.A. Education Group

William A. Patterson, president of United Air Lines, Chicago, is the new chairman of the business-education committee of the Committee for Economic Development.



WILLIAM F. FOX

## Credit's Impact on Varied Fields Discussed by Panel

Credit and Sales liaison was detailed by authorities in several business fields at the 26th annual conference of credit executives of associated manufacturers selling stationery, office and school supplies, and kindred industries, held in Philadelphia. The welcome extended by President Sydney Longmaid of The Esterbrook Pen Company was seconded by the presidents of these concerns: F. Weber, Cooks', Inc., Hunt Pen, Peerless Steel Equipment, and Butler Thomas.

On the credit panel were Louis Koch, W. A. Shaeffer Pen Co.; Glenn Jolly, Gibson Art Co.; J. C. Francke, Scripto, Inc., and A. C. White, Eaton Paper Corp.

Representing salesmanagers were J. P. Grady, Chase Bag Co.; H. T. Sorenson, Spaulding Fiber Co.; Albert Bertalott, Baltimore Sales Book; R. W. Goodby, Sanson & Rowland Co., and Robert Caldwell, Jr., Charles S. Rockey & Co.

Speaking on the credit side of sales was E. B. Moran, secretary, the National Association of Credit Men.

### Credit in Various Fields

Credit and its impingement on various fields was discussed by R. W. Williams, vice president, Girard Trust Corn Exchange Bank; Abraham L. Popper, of Popper & Popper, on "The Credit Man and the Law Merchant"; E. F. Neubecker, assistant treasurer, Burroughs Adding Machine Co., on the overlapping as well as differing responsibilities of credit manager and treasurer; and J. Howard Blake on business at year end.

### Business Correspondence Theme

Effective business correspondence was the theme expounded by C. Austin Miles of Buckley Institute.

Dr. Ralph DeArmond Cies, writer in the *Stationers Magazine*, brought the guests up to date on "What's Going On, On Main St., U.S.A."

Treasurer Philip E. Scott of Esterbrook was host at a luncheon and garden tour at his home. At the closing banquet a birthday cake was cut for Wilbur Comstock of L. J. Aigner Co., Chicago.

Byron E. Van Dyke, Esterbrook's credit manager and national chairman of the organization, and F. G. Eckert, credit manager of F. Weber Co., Philadelphia, headed program and reservations arrangements.

The conference was sponsored by the Stationers and Publishers Board of Trade, Inc., New York.



## Legal Rulings and Opinions

### Drunken Driver's License

There was no violation of an auto driver's rights to due process of law under the U.S. Constitution when the motorist-salesman's license was suspended by the Massachusetts state registrar of motor vehicles following an official report that the man had "operated a motor vehicle after drinking liquor."

On petition of the operator the state court had ordered the registrar to reinstate the license. Suit for \$10,000 damages, brought in federal court, was dismissed. The U.S. court of appeals, Boston, upholding the federal court ruling, declared that the state law giving the registrar the power to suspend licenses of persons he believes to be operating improperly is reasonable "in the interest of safeguarding lives and property from highway accidents."

### Town As a Judgment Creditor

The Government has a prior right to funds in the hands of a state court receiver, the U.S. Supreme Court decided in the case of sale of an insolvent corporate taxpayer's property to pay a Massachusetts town's taxes. The high court ruled that though the town was a "judgment creditor" under state law, it was not a judgment creditor for purposes of Code Sec. 3672, so as to be entitled to notice of the Government's lien.

### Government Claim Priority

The Government had priority in its claim for taxes over wage claims specified in section 64(a) of the Bankruptcy Act, where, prior to the filing of the petition in bankruptcy, the Government's claim had been secured by a perfected statutory lien and it had taken possession of all the bankrupt's property under warrants for distraint, a U.S. district court ruled in New Jersey.

### Injunction Power Upheld

In what was called the first direct court test of the constitutionality of the injunctive provisions of the Taft-Hartley Labor Act, Federal Judge John Knight at Buffalo, N.Y., granted the Government an 80-day injunction restraining workers from continuing a strike at the Dunkirk plant of the American Locomotive Company.

The Government had acted to keep the supply of nickel-plated

pipe for atomic energy work flowing from the Dunkirk plant. The CIO United Steelworkers Union contested the action.

The judge ruled that the workers must continue on the job until March 2nd, saying that the strike affected the nation's health and security.

### Bailment Lease Valid

A bailment lease, used to secure loans on movable goods, is valid against subsequent creditors, the U. S. court of appeals, seventh district, ruled in a Pennsylvania case involving the ownership of a trailer, which at the time of the execution of the lease in the Freedom National Bank was owned by a manufacturer. The bank had the certificate of title. The operator-"purchaser" defaulted on payments, then included the trailer in a conditional sales contract to another individual, who assigned the contract to an Illinois finance company. The latter repossessed the trailer and "resold" it to a third individual, an agent, who "re-delivered" it to the second person under a trust receipt. The bank instituted action for conversion against the finance company. The court noted that had the second "buyer" required that the operator-"purchaser" furnish the certificate of title he would have learned that the bank had title.

### Kited Check, Advice of Credit

An Illinois produce company had accounts in a bank in California and one in Illinois (which maintained an account in the California bank.) The company kited checks and caused the California bank to mark checks "paid" while creating an "apparent" or false credit balance by operation of a written credit advice. The bank issuing the credit advice detected the fraud in time to revoke the written credit advice but the banks in protective efforts found themselves in a costly lawsuit, which went up to the U. S. court of appeals, ninth district.

### Small Claims Court

Under a small claims court law in Texas, effective August 26th, the justices of the peace in their several counties and precincts now sit as judges and exercise their jurisdiction conferred in all cases arising under the new law. The small claims court

now has jurisdiction with the justice of the peace courts in all actions for the recovery of money where the amount of money involved, exclusive of cost, does not exceed \$50, except that when the claim is for wages or salary earned or for work or labor performed under any contract of employment, the jurisdictional amount, exclusive of costs, shall not exceed \$100.

### Trustee as "Employer"

Held to be an "employer", a trustee in bankruptcy with authority to pay the wage claims of former employees of the bankrupt was required to deduct and withhold for federal income taxes in making payment on the wage claims, a U.S. district court in Maine decided.

### Status of Garnishment Writ

The district court of Jefferson county, Texas, held that the notice of tax lien and distraint for taxes of the United States, intervenor in garnishment proceedings, was subordinate, inferior and secondary to the prior writ of garnishment lien served upon the garnishee, though the basic judgment in favor of the plaintiff-garnishor against the debtor was not entered until after the filing of all such liens.

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# Guides to Improve Executive Operation

## KEEPING INFORMED

**HANDBOOK OF BASIC ECONOMIC STATISTICS**—A "manual of basic economic data on industry, commerce, labor and agriculture in the United States." Published in a variety of ways and rates, this material apparently is taken from Government files. Anyone whose marketing operations depend on, or are influenced considerably by, changing economic conditions, will find the handbook worthwhile. Economic Statistics Bureau of Washington, D.C., 631 Pennsylvania Ave., N.W., Washington, D.C.

**HOW TO GET THE MOST OUT OF MARKETING RESEARCH**—Discussed by F. K. Leische, executive vice president of A. C. Nielsen Company, in that company's Researcher magazine. Ten points are summarized on three pages as suggestions for marketing executives. Write Nielsen Company, 2101 Howard St., Chicago, Ill.

**150 QUESTIONS FOR A PROSPECTIVE MANUFACTURER**—This booklet contains questions on financing, plant location, equipment, etc., that any prospective manufacturer should want answered. 35 pp. Superintendent of Documents, Washington 25, D.C. Price 20c.

*Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.*



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## EFFICIENCY TIPS

**327—NEW YORK LIFE INSURANCE COMPANY** offers the booklet "Trends in Group Coverage." One of a series of lectures before the School of Business Administration of the University of Connecticut. By Wendell Milliman. What's new in group insurance. Illustrated. Free.

**328—PEERLESS STEEL EQUIPMENT COMPANY** has published a 56-page catalog containing illustrations, descriptions and tables of dimensions on its line of metal office equipment. This includes upright files, 2 to 5 drawer models, card indexes, cabinets, etc.

**329—HERRIN HALL MARVIN SAFE COMPANY** will send "A Practical Manual of Protection Equipment," a 36-page book filled with information to guide banking officers in the selection of equipment, as well as suggestions concerning the maintenance of such equipment.

**330—DICTAPHONE CORPORATION** offers a free "Dictabelt" and descriptive folder on the "Time Master." The story is on how to save money through the use of the Dictaphone.

**331—ROL-A-FACTOR DIVISION, Forster Mfg. Co.,** has an illustrated brochure explaining the Interest Calculator, how it figures interest and dividends instantly.

**332—GRAY MANUFACTURING COMPANY'S** "How to Communicate with People" reviews earlier systems of communication in a humorous manner—chipping in stone, smoke signals, tomtoms, mental telepathy, tablecloth memoranda, and plain dictation, down to modern trends. The booklet is profusely illustrated.

**333—INTERNATIONAL BUSINESS MACHINE CORPORATION'S** booklet, "General Accounting Applications for the IBM Typewriter Punch Tape," is available without charge.

## BOOK REVIEWS

**HOW TO BUY STOCKS**—By Louis Engle. \$2.95. Little, Brown & Co., Boston, Mass.

† Subtitled "A Guide to Successful Investing," Mr. Engle, of the firm Merrill, Lynch, Pierce, Fenner & Beane, translates Wall Street terms into everyday language for the layman. He answers the common questions about investing: what are stocks?—how do you buy them?—what does a broker do?—how does the Stock Exchange work?—how to choose stocks suited to your situation. From his experience as managing editor of *Business Week* and later with one of the top investment firms, Mr. Engle writes with authority on a subject he knows well, and has produced a basic book about the basic problem of money.

**FAITH AND FACT**—By Alfred P. Haake, Ph.D. \$3.50. The Stackpole Company, Harrisburg, Pa.

† Is capitalism compatible with Christianity? Does Scripture justify man's working for personal profit? Can there be progress without profit? In his book the eminent Dr. Haake—clergyman, teacher of economics, nationally recognized as an economist and business leader, and consultant to General Motors—ably tackles these questions, answers them for the layman who seeks to reconcile the basic truths of religion with the basic facts of economics. Sections of the book are allotted to discussion of the origins of religion; the laws of economics—production, exchange, distribution, control.

**ELEMENTS OF BUSINESS ADMINISTRATION**—By Morris E. Hurley. \$9.00. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y.

† A study of business administration in our economy as the process through which goods and services are made available to consumers, and its involvement with the total environment—political, social, cultural and economic—within which business itself operates. Each chapter contains a series of questions for review by the reader.

*Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.*



## NO COMPETITION

More than 137,000 lightning bugs, all flashing simultaneously, could not produce as much light as one 60-watt inside-frosted bulb, according to General Electric research scientists.

The engineers proved their point with intricate laboratory apparatus, including a photometer and an oscilloscope. Of course they didn't haul all the fireflies of Cleveland into the laboratory to make the test. But they did decide that it would take 1,000 to 2,000 of them, depending on how each of them "give," to illuminate a room to the same intensity as the light from one candle.

So, "shine, little glowworm, glimmer." Don't worry about concentration camp or slave labor.

## More Care, More Daring, Is Demand of Buyers' Market, Declares Seares

THE close parallel between objectives and operations of credit and sales departments takes on special emphasis in a buyers' market.



A. N. SEARES

The following summary of thoughts expressed by Al N. Seares, vice president and director of general sales and service, Remington Rand

Inc., before a national gathering of sales executives, could as well have been placed before a meeting of credit executives—and without changing a "jot or tittle" of the quotation:

"The job ahead goes back to simple fundamentals. First of all, we must know—and know that we know—the difference between a profitable customer and an unprofitable customer. This is a question of fact, and not a matter of opinion. No amount of fast talk can overcome the inherent fallacy of the notion that we can lose money on individual accounts and make a profit on their combined volume. The profit we realize is the sum of profits and losses on individual accounts—and not uncommonly 50 per cent of the accounts in the ledger are unprofitable when costs are distributed rationally."

And, on the wider front, this: "True, we have excessive tax burdens to bear, both as private individuals and as executives of our individual firms. Heavy as these burdens are, they are not so heavy that they cannot be borne. They simply mean that we have less latitude for error than our fathers had in the 1920's."

"We must be more careful and yet more daring—more studious and more imaginative than they were. We must rely more than they did on information pertaining to our individual problems—we must handle this information more creatively and more understandingly than they did. This is a challenge that is very real and very great. I do not minimize it, but I do not fear the capacity of America's sales [Credit—Ed.] executives to meet and surmount it."

Foreseeing a period of "intensive sales analysis," with demands for higher skills and keener judgments, Mr. Seares proposes this line of at-

tack: "Sell each successive unit of output to the easiest and least-costly-to-sell prospect remaining available." He emphasizes that this does not mean concentration on only large customers or on any single class of prospects, but rather the prospects in all markets who have "the most clearly recognized or recognizable latent need for what we have to offer, and the ability to pay."

Mr. Seares, who has been chairman of the National Sales Executives and is author of a number of books on management, started in sales after receiving his education at the University of California. First with the F. W. Wentworth Company, he then joined the Rand Kardex Bureau, later merged into the Remington Rand organization.

## From Cave Dweller Scratches To Visible Vertical Recording

From the scratched drawings by cave dwellers on the walls of their "dugouts" in southern France 10,000 years ago, to today's cradle-to-grave recording of man's span of years by the Bureau of Vital Statistics, and to the ultimate in visible vertical record keeping, is a romance of progress, says Herbert Weston, president of Visirecord, Inc., presenting "The Development of Record Keeping."

"As certain as death and taxes" goes the saying. Well, existing records of civilized peoples go back to data on taxes and wheat inventories in 2500 B.C., and there are the cuneiform writings on tablets and cylinders of clay from Babylon and Assyria.

"The medieval banker, who could not read or write," says Mr. Weston, "used a flat stick split lengthwise in exact halves to record withdrawals and deposits. The depositor kept one half, the banker the other. With the two halves fitted together, a 'check' was cut on one edge for each piece of gold deposited, a similar 'check' on the other half for each piece paid back."

## Paid Four Hours after Robbery

The fully insured branch of the Franklin National Bank at Floral Park, N.Y., was paid by National Surety Corporation for the \$191,320 loss in a holdup four hours after the gunman entered the bank. Close coordination of the company, its claim department and its agents made the record speed possible.

## Federal Sales Tax Would Hurt Everyone, Financial Men Agree

Opposition by Beardsley Ruml, economist, to a federal sales tax as being unnecessary and "politically impossible," follows results of a survey by Standard Factors Corporation (Theodore H. Silbert, president) which concludes that American businessmen do not favor such a tax, either as a substitute for income taxes or as a separate tax.

Mr. Silbert narrowed the reasons for the stand of business to these:

(1) A federal sales tax would cripple the cities and states now depending upon their own sales taxes; (2) Keeping track of such federal tax and receipts would be a severely difficult administrative problem; (3) Such a tax never would be relaxed but would grow greater, and (4) Sales and other business activities would be maimed.

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# UP THE EXECUTIVE LADDER



L. A. PETERSEN



W. R. LENGA

LAWRENCE A. PETERSEN, elected vice president and treasurer of Walter E. Heller & Company, Chicago, went from business college in Denmark to become a customs broker there and later to a bank position in the city where he was born. Coming to the United States in 1919, he was successively an accountant for the Great Northern Railway, U. S. Railroad Administration and Wilson and Company. He joined Walter E. Heller & Company in 1925 as office manager, was named treasurer in 1926 and a director 11 years later.

MARVIN M. KNOBLICH, a graduate lawyer with considerable accounting and finance experience, has been appointed credit manager and an assistant secretary-treasurer of the Dodge Manufacturing Corporation, Mishawaka, Ind. After graduation from the University of Illinois Law School in 1947, and admission to the bar, he had worked with the securities division of the State of Illinois until 1950. Since then he had been with a large law firm in Chicago. Mr. Knoblich received his bachelor's degree in accounting from the University of Illinois in 1943, and before entering law school spent a year with a certified public accounting firm in Decatur, Ill. In World War II he served with the Finance Corps of the Air Transport Command.

ROBERT S. BRUMAGIM, promoted to controller of Mohawk Carpet Mills, Amsterdam, N.Y., was manager of the cost and budget departments of the company and, earlier, controller of Charles Lachman Company, Phoenixville, Pa., a subsidiary.

Syracuse University graduate in business education, Mr. Brumagim for several years was director of the commercial department, Mynderse Academy, Seneca Falls, N.Y., next with Ernst and Ernst at Rochester as accountant and auditor. A lieutenant colonel 1940-45 he was made chief, civilian payroll administration

section for Army and Air Force payrolls. From 1945 to 1950 he was with the office of the controller general of the United States as assistant director, corporation audits division, and assistant chief, accounting systems division.

Mr. Brumagim holds an M.S. in accounting and was awarded the degree of master of government accounts. He is a certified public accountant, New York State and Illinois. His memberships include American Institute of Accountants, National Association of Cost Accountants, American Institute of Management, Rotary, and National Association of Credit Men.

Two executive promotions are announced by the Mid-Continent Supply Company, Fort Worth, Texas. FRANK JOHN is now director of credits and P. Z. HILLIARD director of purchases.

Mr. John, as director of credits, a newly created post, will be active in the correlation of sales and credit activities. He recently returned from Washington, D.C., where he had headed Mid-Continent's office since 1951. Before that he was director of purchases, and in his 22 years with



R. S. BRUMAGIM



D. H. SCHULTZ

the company has served in numerous other capacities.

Mr. Hilliard was formerly management coordinator of Mid-Continent in the Fort Worth offices and previously New Orleans district manager. He has been with the company 19 years, is a native of Texas, attended Schreiner Institute, and received a bachelor of science degree



H. R. BAGWELL



M. M. KNOBLICH



FRANK JOHN



P. Z. HILLIARD

in commerce from Louisiana State University.

From secretary-treasurer of Leeds & Northrup Company, Philadelphia, makers of measuring instruments and automatic controls, D. H. SCHULTZ has been advanced to executive vice president, succeeding I. Melville Stein, now president. Mr. Schultz continues as treasurer.

Most of Mr. Schultz's career has been with Leeds & Northrup, starting as bookkeeper in 1920, advancing to assistant treasurer in 1928, secretary-treasurer and director in 1940.

A resident of Lansdale, Pa., Mr. Schultz is chairman of the Lansdale Municipal Authority, a member of the industrial advisory committee of the Third Federal Reserve District, the American Management Association, and Rotary, and on the board of pensions of his church. He was national director of the Controllers Institute of America from 1943 to 1945.

HOWARD R. BAGWELL has been elected secretary and controller of Pullman Couch Company, Chicago. He joined Pullman in March 1952 as controller and shortly afterward was made assistant secretary. Mr. Bagwell had been with LaSalle Steel Company as credit manager and later as assistant to the financial vice president. Earlier he had spent 14 years in the publishing business, with Esquire, Inc., and Time, Inc., with the latter as Chicago divisional controller. Mr. Bagwell also has been on the staff of Northwestern University, School of Commerce, lecturing in accounting in the evening division.

WILLIAM R. LENGA, has been appointed assistant treasurer of the National Tube Division of the United States Steel Corporation at Pittsburgh, Pa. Mr. Lenga, a native of Berea, Ohio, attended public school in that city, then continued his education at Fenn College in Cleveland, where he was graduated



with a B.B.A. degree in business administration. His business career began in 1929 with the Sherwin Williams Company in Cleveland. In 1943 he joined American Steel & Wire Division of U. S. Steel as credit manager in the New York City office. He transferred to Cleveland in 1946 as credit manager, the position he held until his present appointment. Mr. Lenga was a member of the board of trustees of the Cleveland Association of Credit Men, a member of the Chamber of Commerce, the Mid-Day Club in Cleveland, and is past president of the Fenn College Alumni Club.

An article on "Credit Decisions," in the August issue of CREDIT AND FINANCIAL MANAGEMENT, was based on an address by Mr. Lenga.

VICTOR D. SMITH and HAROLD K. ALBUS have been made assistant vice presidents of The Omaha National Bank. Prior to Army enlistment in 1942, Mr. Smith was an accountant with the National Security Fire Insurance Company and was an assistant cashier in the State Savings Bank in Council Bluffs, Iowa. In 1946 he entered the trust department of the Omaha National Bank, advancing to an assistant trust officer the same year and an assistant cashier in 1952, when he was transferred to the commercial loan department. Mr. Smith, a native of Omaha, attended the



MISS L. L. WARTMAN



MABLE LANE

dent of the Hawaiian Fruit Packers, Ltd., subsidiary plant of Stokely-Van Camp, Inc., in Kapaa, Kauai, Hawaii, had been treasurer and manager of the company. Mr. Edwards had joined Stokely-Van Camp in 1937 when it was known as the Grower's Canning Association. A graduate of Oregon State College, he went to Hawaii as a junior chemist for the Hawaii agricultural experiment station in Honolulu, and received his M.S. degree in agricultural chemistry from the University of Hawaii.

JAMES MCGUIRE has been named credit manager of the Hallicrafters Company, Chicago. He succeeds C. A. SHERA, transferred to distributor sales counselor. Prior to joining Hallicrafters, Mr. McGuire was affiliated with Motorola, Inc., as assistant credit manager. From 1948 to 1952 he was credit manager for Thor Corporation. He is a graduate of Loyola University and served in the naval submarine service in World War II.

A. H. MARJARUM has retired as general credit manager of John A. Roebling's Sons Corporation, Trenton (N.J.) after 46 years of service, the last 16 as credit manager, all in the finance and accounting division.

EMIL T. ZEOLI, appointed to succeed Mr. Marjarum, was transferred from the San Francisco office after 35 years with the company in the Pacific Coast area. Since 1935 he has been Pacific regional credit manager and manager of finance and accounting. He was treasurer of the John A. Roebling's Sons Company of California prior to its merger with the parent company in 1951.



D. W. EDWARDS



JAMES MCGUIRE

MISS MABLE LANE has undertaken her new duties as credit manager of Detroit's Sheraton-Cadillac hotel, of which Neal Lang is general manager. Miss Lane, in hotel work since 1922, spent the last three years as credit and collection manager for the Morrison in Chicago. Earlier she was credit manager for the Fort Shelby in Detroit for seven years, and has been associated with leading hotels also in Kansas City and Oklahoma City.

Miss Lane has headed both the Women's Division of Motor City Charter 29, Hotel Greeters of America, and the Credit Women's Club of the Detroit Association of Credit Men.

MISS LOIS L. WARTMAN has been appointed assistant credit manager of the Davol Rubber Company, Providence, R.I. Before assuming the duties of this newly created position, Miss Wartman served as secretary to the company's credit manager. Active in the Credit Women's Club and National Institute of Credit, where she has received the Associate Award, Miss Wartman is also treasurer of the newly formed Rhode Island State Chapter of the National Secretaries Association.



G. V. EMERSON

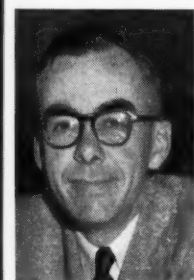


EMIL ZEOLI

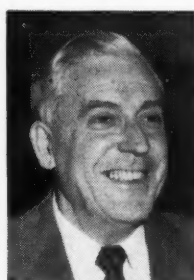
Appointed auditor of the Dravo Corporation, Pittsburgh, GEORGE V. EMERSON takes the post vacated by the death of L. F. Adams. Mr. Emerson, assistant auditor since 1947, has been with Dravo since 1929, in the accounting sections of various divisions and subsidiaries. He attended Antioch College and the University of Pittsburgh.

### Be Critical of Statistics, Cost Accountants Advised

A critical attitude toward statistics as a methodology or basic technique in dealing with quantitative data, plus the ability to define problems clearly and tackle their solutions with vision, should be the approach of creative accountants, the National Association of Cost Accountants was told at its international conference in Los Angeles by Robert M. Trueblood, partner in Touche, Niven, Bailey and Smart.



V. D. SMITH



H. K. ALBUS

University of Nebraska, and is a member of the Omaha Chamber of Commerce and the Omaha Association of Credit Men.

Mr. Albus, from St. Joseph, Mo., was employed by the C.B. & Q. Railroad until 1925, when he took a position with the Drovers and Merchants Bank there. In 1926 he entered the service of The Omaha National Bank as a clerk in the discount department. He was made manager of the department in 1940 and an assistant cashier in 1945. Graduate of Platts Commercial College, Mr. Albus served in the Navy in World War I. He is a member of the Omaha Association of Credit Men and the Chamber of Commerce.

DORSEY W. EDWARDS, who succeeded Randolph Crossley as presi-

# Modernizing for Office Efficiency

*introducing new office equipment and systems to effect economies in labor and costs, as well as to speed production of essential office work*



## Fire Resistant Compact Vault

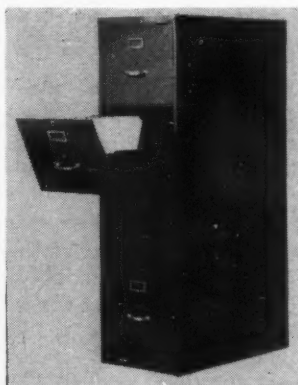
A heavy steel, fire-resistant Safe-T-Vault, compact enough to be kept in a desk drawer, has been put on the market by Goodfriend Metal Products Co., 1019 East 75th Street, Chicago, Ill. It consists of two complete "inside - each - other" heavy gauge steel boxes with specially treated insulating material to resist fire. The vault is said to withstand up to 500 degree heat for one hour. Featuring a sealer strip that cushions closing and eliminates air leaks, the box is equipped with a cylinder lock, two keys, and recessed plate with riveted handle. Finished in Hammerloid baked enamel, it is available in gray, green, blue or red finish and its size is 13 $\frac{3}{8}$ " by 9 $\frac{1}{2}$ " by 3 $\frac{3}{4}$ ". It weighs 12 pounds. For price and further details write the manufacturer.

## A Folding Aluminum Table

The PORTILITY folding aluminum table, now being manufactured and marketed by the Emeco Corporation, Hanover, Pa., is finding many



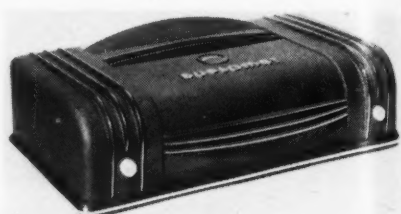
uses in offices where additional tables or work surfaces are required. The Portility table is 24 inches wide, and 60 inches long. It folds to 24 by 30 inches and is provided with a handle for easy carrying. While the table weighs less than 20 pounds, the top has been reinforced to provide a strong work surface. Special locking device gives the table "one-piece" structural strength when it is set up. Of rustproof, stain-free aluminum, it is not only light in weight but attractive in design.



## Streamlined Filing Feature

An office file with front expanding into a "V" has been announced by the Northwest Metal Products Company, 1337 E. Mason Street, Green Bay, Wis. This "V" expanding feature provides approximately 20 percent more filing capacity, the company says. In addition the device provides easier access to the drawer contents, particularly when the file is very full. The handle on the drawer is placed below center and prevents the "V" drawer front from dropping down or opening when the drawer is pulled out. Only after the file folder or letter wanted is located is the front expanded to allow working space, or easy removal of the material. Because of the construction, no compressor or guide-rod is needed in the drawer. These files are provided in various sizes.

*When writing to the makers of these products please mention that you read about them in CREDIT AND FINANCIAL MANAGEMENT.*

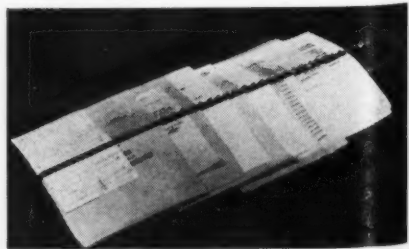


## Automatic Photo Copying

Designed to fit the corner of a desk, the all-electric automatic photo copying machine, called the Duplo-mat-Ultra, is said to print, develop and produce legally accepted dry positive copies in less than 45 seconds. The original may be single or double sides, and may be written, printed or drawn. The papers automatically are drawn into the machine, exposed, then ejected a few seconds later. The one quart of developer keeps at least two weeks in the machine and will process a minimum of 200 photo copies. The operator's hands never touch the liquid developer. The machine, manufactured by Photo-It Company, 2 Stone Street, New York 4, is of all metal construction and is finished in a silver-green crackle lacquer.

## New Correspondence Sorter

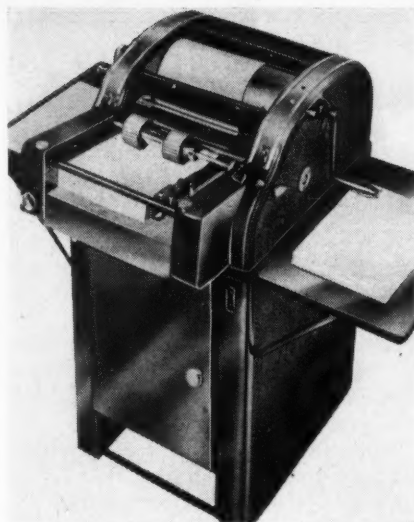
A new type correspondence sorter called the LETTERGARD, manufactured by the Gardner Laboratory, Inc., Bethesda 14, Md., gives fast, accurate, alphabetical sorting of letters or records for quick insertion in permanent files. To its light weight aluminum base are permanently riveted 26 alphabetically stamped phosphor, spring bronze metal leaves. Each leaf has a slight tension which holds the letters in position and prevents them from dropping out in the sorting process. The LETTERGARD is 32" long and 3 $\frac{1}{2}$ " wide, and will hold a multitude of letters or legal size papers. Write the manufacturer for price and other data.





## No Need for Blockouts

The new Ormig spirit duplicating systems machine, push-button controlled, is said by the manufacturer, Queens Systems Corporation, 1055 Stewart Avenue, Garden City, L.I., N.Y., to eliminate the need for blockouts and variable strips. It automatically transfers columns and lines both vertically and horizontally and can, if desired, post one, two or three lines at a time to any position on the copy. Adjustable stamping devices are built into the drum for use in stamping variable data. An electronic optic device has been designed to facilitate changing data. An electronic thyatron controls the speed of the drum, making longer runs possible when desired. Pressure and fluid feed are combined so that when pressure is increased or decreased, the fluid increases or decreases automatically. Up to 500 copies in five colors, performed in one operation, are said to be completed in a few minutes. Micro adjustment of registration can be made by plus or minus gauge. Automatic feed of addresses with automatic feed of copies, and a wide range of sizes, are other features of this new machine line. Write the manufacturer for additional details.



to help cut costs in interoffice communication.

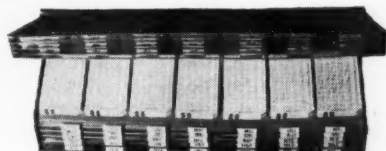
The sheet may be inserted in the cylinder of the machine, and the recording heard. If an answer is required, it may be dictated on the same sheet and returned to the original dictation point instead of writing a letter. Sheets can be filed as though they were regular letters after any recorded notation is dictated onto the sheet. Available approximately November 1. For information write OTA Business Machines Division, Oerlikon Tool & Arms Corporation of America, P.O. Box 3049, Asheville, N.C.

*In the bank of life, too,  
you can't expect to make  
withdrawals without first  
making deposits.*

—Sales Management

## New Visible Filing for Cards

Vistem, visible filing equipment for punched and tabulating cards, is a new product of Visirecord, Inc., 801 Second Avenue, New York 17. With Vistem, all tabulating cards are visibly filed, substantially reducing search time. Units are made in small portable models, mobile posting units, large desk units and counter height units. All units operate on the visible vertical principle. Increased speed is claimed for the tabulating or punched card operation because any group of cards can be selected in seconds from well over 50,000 cards. The manufacturer will be glad to send all information.



## Platen Is Interchangeable

A new typewriter, the 700 or VisOMATIC Line, announced by R. C. Allen Business Machines, Inc. 678 Front St. N.W. Grand Rapids, Mich., features an unusually simple and accurate margin mechanism, automatic and fully visible, improved line space, removable platen, and improved tab design and operation. The interchangeable platen feature enables a switch from regular to special platen for tag writing, label writing or card writing, cutting stencils or making multiple-copy manifests; and the platen change can be made in a matter of seconds. The visible margins can be set with one hand while moving the carriage to the desired position. The ribbon travel mechanism has a half-space reverse feature said to add up to 30 percent to the average ribbon life. The Visomatic typewriter is available in mist gray, in cocoa velvet or cool green finish to blend with office decoration. The manufacturer will be glad to send free literature on request.



## From Entertainment Jobs to Lighting \$50 Million Fire Area

From a temporary lighting equipment service primarily for entertainment events to providing continuous floodlight coverage for 14 nights of salvage crew operation after General Motors' \$50 million transmission plant fire was the gap bridged by Jack A. Frost, Detroit electrical contractor.

The salvage crews worked under fifty 10,000-watt floodlights mounted on 40 and 50 foot towers to illuminate the overall area, with sixteen 5,000-watt floods and sixty 2,000-watt lamps set on stands under the damaged roofs, and at least seventy-one of 1,500-watts additionally. Besides the 200 varied-watt flood and spot-lights, the equipment included 12,500 feet of cable, 25 generators, jumpers, spiders and plugging boxes, installed on the grounds. Overnight Mr. Frost brought in a large generator from California, trucked another from Minneapolis.

## Magnetic Dictating Machine

The new OTA VANGUARD Dictating Machine is a magnetic type instrument using a dictating sheet of sensitized paper the same size as an ordinary 8½" by 11" letterhead. The "Master-Magic" sheet is inserted into the slot in the revolving cylinder and the voice inflections are recorded through the magnetic head onto the sensitized sheet of paper, for perfect reproduction, without scratch or surface noise. The sheet may be used as many as 2,000 times. To correct an error, simply redictate the correct word or sentence and the error is automatically erased as the correction is dictated.

In addition to microphone, ear piece and foot control used on the transcribing unit, both dictating and transcribing units have built-in loud-speakers for more flexibility. Dictating sheets may be folded the same as a regular letter for mailing,

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## SECURED DISTRIBUTION

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(Concluded from page 21)

authorize their redelivery to the distributor in any of the following ways:

(1) On receipt by the bonded custodian from the distributor of the company check, cashier's check or certified check, to the order of supplier, for the value of the goods delivered.

(2) On receipt by the bonded custodian from the distributor of a trust receipt, trade acceptance or other commercial paper, indorsed or made out to the order of supplier.

(3) On receipt by the bonded custodian of a written or telegraphic order for warehouse release from the supplier, at his option.

These releasing procedures may be amended at the supplier's wish.

This plan guarantees to the supplier that his payment terms will be

houses. The Distributor acquires no right or title to the goods at any time, since they are not billed to him until he takes delivery.

Under Plan One, the supplier ships, invoices and takes back a warehouse receipt, acquiring a "security interest" in the goods, senior to the interest of the distributor. Under Plan Two, the supplier at no time passes title.

When the supplier desires to make delivery to his customer, he gives Lawrence the authority to ship as outlined generally for Plan One. At that time title passes, but in most cases payment already will have been made, or at least assured. By this procedure the supplier cannot become involved if the distributor goes bankrupt. In such eventuality, the supplier can order his inventory shipped to some other distributor, to dealers, or back to the plant.

A pioneer in the use of "secured distribution" is the York Corpora-

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***"Every credit executive bears the responsibility of understanding the field warehousing function well enough to enable him to counsel and advise his own company as well as customers in its application as a marketing and inventory-financing device."***

**—Credit Research Foundation**

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met, because the warehouseman has no authority to deliver, or permit delivery, of the goods without prior written or telegraphic approval of the supplier. However, blanket delivery authority covering the release of a stated amount of merchandise may be given in advance, with payment to be made by the distributor when his credit limit is reached, or on stipulated days or dates.

Most credit managers may have shuddered when they read the description of Distributor B, but this fellow shows up on many customer lists. The unusual feature is that his sales ability is generally in inverse ratio to his working capital position. Plan Two makes it possible for sales departments to put as much merchandise at his disposal as they believe he can move—yet does not involve the credit departments in any risk.

Plan Two permits the supplier to ship all goods to himself, care of the field warehouse, at the address of the customer. This has the same legal effect as if the supplier shipped to one of his own branch ware-

tion, whose plan of action was fully described in the Credit Research Foundation Study. York's use of field warehousing was based on the company's wish to avoid costly peaks and valleys in its manufacturing schedules. Quoting the Credit Research study:

"Having decided to finance the distributors, York explored various methods of obtaining security during the financing period. Conditional sales contracts, chattel mortgages and trust receipts were all rejected, mainly because of the lack of third party control. It was decided that warehouse receipts would provide the desired protection and control, and York asked Lawrence Warehouse Company to help in the development of a nationwide field warehousing program."

Distributors more and more are turning to their suppliers to help extricate them from the two-way pull of needed inventory and extended credit demand from dealers. It is up to the credit manager to have the answer when Management calls upon him.

## 39,000 Adding Machines In One Electronic "Brain"

An electronic "brain" with the work capacity of 39,000 adding machines was demonstrated recently in Chicago by John Plain & Co., wholesale mail order distributor of homewares. The device was made by Remington Rand Inc. at a cost reported upward of a half million dollars.

With 8,000 different items in inventory and up to 75,000 orders processed in a peak season week and averaging 10 items to an order, 60 clerks had concentrated on making tallies in 80 stock books containing 8,000 catalog numbers, cross-adding the books and removing old figures, yet reports were a week to 10 days old and "shot with inaccuracies," explained a company representative, with resultant loss of valuable sales. Hence the new project.

The central unit has a magnetic drum, 200 vacuum tubes, 5,000 electrical connections, 300 relays. The input facilities are 10 units resembling adding machines, 10 girls doing what had taken 150 under the old method. With simple typing of the record number, the entry is read into the machine, sorted, added, and the total flashed on the input units—all in three-tenths of a second.

For a complete periodic review the input stations are shut off and a highspeed printer turned on. A tape comes out of the printer with item numbers and sales typed side by side—75 lines a minute.

## N.Y. Clearing House Celebrates

Founded in a basement room at 14 Wall Street in October, 1853, the New York Clearing House Association celebrated its hundredth anniversary with a dinner gathering of directors of member banks. With Secretary of the Treasury G. M. Humphrey as guest of honor, the honor list had many more leaders, among them William McC. Martin, Jr., chairman of the Federal Reserve Board; Ray M. Gidney, controller of the U. S. treasury, and Governor Thomas Dewey.

## National Surety Names Gardner

Appointed manager of the Pacific department of the National Surety Corporation is N. P. Gardner, Jr., with Myron C. Higby surety manager while continuing as Los Angeles manager. William A. Gray becomes surety manager at the home office in New York, Mr. Gardner's former post, and William C. Casey succeeds Mr. Gray as St. Louis manager.



# CREDIT MANAGEMENT

*Highlighting News Activities—National, Regional, Local*

## And Now for the San Francisco Convention!

**H**ORACE GREELEY said it and credit executives of the nation are doing it next May, when members of the National Association of Credit Men are going west for their 58th Annual Credit Conference and Convention, May 16 to 20. (Carrying the Greeley reference further, all forward-looking credit men and women of today's operation are young in spirit and outlook, whatever the vital statistics).

Arrangements have been completed for establishment of the Fairmont and Mark Hopkins hotels as convention headquarters, and several other hostelries will be cooperating.

Preceding the convention will come the three-day annual conference of N.A.C.M. secretary-managers, May 13-15.

From the two headquarters ho-

tels atop "Nob Hill," convention delegates will see for themselves why San Francisco has been dubbed the "Baghdad by the Bay," with one-up on its namesake because of the summer "air-conditioning" provided by the cooling westerly breeze from the Pacific, topping a Golden Gate panorama of the ocean to the west, the harbor to the north and the mountain range to the east, and within the perimeter a city of flowers.

### *A Village of the Spanish Dons*

It was the Forty-Niners and their Golden Conquest which awoke the indolent village of Yerba Buena, as the Spanish Dons called it, but it was Father Crespi, viewing the stretch of hills and the bay, with Don Gaspar de Portola—and so the first white man on the ground—who suggested the site be named after Saint Francis. With the building of

the Mission Dolores the white man's civilization was established at the Gateway to the Orient.

The village became more than a dot on the estuary whence the grand dons sent their cattle and the produce of their haciendas down the inland rivers, when gold was discovered nearby in 1849. Breasting the tide of raw humanity spewed by the gold fields, men with vision foresaw the vast potentials of the area and did something about it. There was Raphael Weill, out of whose first store with its meager supplies has arisen today's "White House," a model of merchandising. There were Darius Ogden Mills, who opened a bank; Captain Matson, and Captain Dollar, with the forerunners of today's steamship lines; James A. Folger, builder of a coffee mill and importer of teas and spices; Levi Strauss, clothing maker; William

*(Concluded on following page)*

**OVERLOOKING** the skyline of San Francisco, from Nob Hill, are two internationally known hostelries which will function as convention headquarters for the 58th Annual Credit Congress of the National Association of Credit Men in the Golden Gate cosmopolis, May 16th through the 20th, next year. Here at the left is the Fairmont, with its seven dining and dancing rooms, each individually appointed. At the right is the Mark Hopkins, another name in San Francisco history.



Ralston and his Palace Hotel; the Sprechels empire of sugar and shipping; men of letters, such as Mark Twain, Robert Louis Stevenson, Rudyard Kipling, and Bret Harte and his Overland Monthly Magazine.

And on Nob Hill the Crockers, Huntingtons and Hopkins built their mansions, one the site of the Hotel Mark Hopkins, another the Fairmont, co-headquarters for the N.A.C.M. Convention.

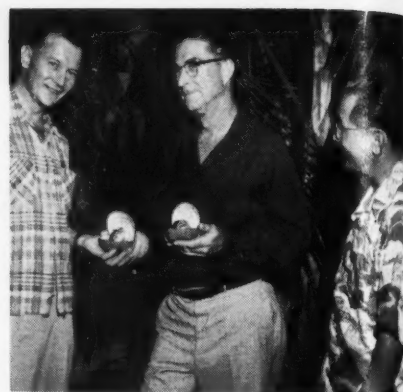
Foreign nationalities brought their culture and customs into the color that is the San Francisco of now. Dupont Street, now Grant Avenue, became the Street of a Thousand Lanterns, of the Chinese colony. In the North Beach surroundings of Telegraph Hill, the fishing industry and the produce and commission business were developments of the Italians, giving to the city Angelo

Russian Hill, named from an old Russian burial ground, is the writer-artist center. Telegraph Hill has its Coit Tower, memorial to the early day volunteer firemen. In the miles of docks is the world-known Fishermen's Wharf, lined with cauldrons of boiling crab and shrimp.

#### *It's a City of Parks*

Built over a huge garage is Union Square Park. Out of the sand dunes rises Golden Gate Park, with its conservatories and the California Academy of Sciences and North American Hall, the Steinhart Aquarium, and the De Young Museum. In Lincoln Park is the Palace of the Legion of Honor; other art galleries are the Palace of Fine Arts and the Sutro Museum.

Famed too are the Cliff House restaurant perched above the rocks of the sea, the Sutro Baths, the Fleishhacker Playfield and Zoo-



*PRESENTING dual membership award watches is Secretary Alvin A. Smith (center), secretary of the Hawaii Association of Credit Men. The recipients are William L. Price (left) and Mack Odo (right). The occasion is the annual meeting of the Hilo Chapter.*

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*A Post-Convention Tour to Hawaii from San Francisco via plane and/or ocean liner is being planned, to follow the 58th Credit Congress next May.*

*Watch for details to be published in the December issue of Credit and Financial Management.*

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#### **Honolulu Credit Men Hear Talks On Management, Taxes, Labor**

Management problems and solutions were presented by Harold C. Eichelberger, treasurer of American Factors, at the dinner meeting which climaxed the annual gathering of the Honolulu Association of Credit Men. Mr. Eichelberger recently had completed a study program in advanced management at the Harvard University graduate school of business administration.

Dr. Roy Brown, chairman of the tax study committee of the Honolulu Chamber of Commerce, opened the afternoon session with a discussion of the national and local economy.

Business finance and its special questions were the topic of Kam Tai Lee, treasurer of the Territory of Hawaii. Dwight Steele, president of the Hawaii Employers Council, outlined the labor situation.

J. Rossi, of mayoralty note, and A. P. Giannini, founder of the Bank of America.

The foundation of courage and vision upon which had arisen San Francisco called resourcefulness also into play when earthquake and fire ravaged the city in 1906. A modern empire was in full function within two years.

#### *Flower Stalls, Cable Cars, Bridges*

The romance of arts and business in this "Wall Street of the West" extends beyond its business section and its Market Street, "keel of the city," and spreads out into a panoply of widened interests and attractions. Flower stalls and cable cars, the cluster of skyscrapers about Montgomery Street—and the bridges, spanning the Golden Gate and the San Francisco Bay—and from the floor of the Bay the 400-acre Treasure Island of the International Exposition of 1939 and 1940, now a naval installation center.

For the visiting credit executives and their families San Francisco offers a host of interest features. There is the marble and granite Civic Center, whose War Memorial Opera House and Veterans Building housed the United Nations Conference on International Organization, and the Japanese Peace Treaty Conference.

logical Gardens, with the 1,000-foot outdoor salt water swimming pool.

All these, and for the convention womenfolk a choice of myriad fashion and shopping centers.

#### *Connolly Heads Tax Association*

John L. Connolly, St. Paul attorney and secretary and general counsel of Minnesota Mining & Manufacturing Company, is the new president of The National Tax Association.



*THEY'RE LEADERS of the Hawaii Association of Credit Men. Front row (l. to r.) Alvin A. Smith, secretary; Robert W. Chatterton, Howard Blitz, Francis Chun, R. Vergne Tanner, directors. Back row: Calvert G. Chipchase, vice president; Harry MacMahon, director; Paul Loo, president; C. Louis Barber, immediate past president; Leslie Thomas, treasurer; and Charles Wade, director.*



# Graduate Schools of N.A.C.M. Equip New Task Forces of 'Men of Action'

## DARTMOUTH

WHEN John J. Joseph, Cleveland, vice president of The Ohio Bell Telephone Company, chose "Men of Action" as the topic of his address to the seniors at commencement exercises of the Graduate School of Credit and Financial Management at Dartmouth College, Hanover, N.H., he epitomized in three words the emphasis on creative credit operation that has marked the specialization school of the National Association of Credit Men and the objectives of its director, Dr. Carl D. Smith.

Since first classes began seven years ago at the University of Wisconsin, the project has enlarged into two sections, the parent school at Dartmouth, the other at Stanford University, which next year will present certificates to its first graduates of the three-year course. (For this year's Stanford session see column 3.)

The role of the credit executive as an essential part of management's overall effort for maximum profitable volume business, and the proof of the Graduate School's contribution to education toward that objective in the fact that more

than 50 per cent of the graduates have moved up to higher posts following attendance at the school, were noted by Henry H. Heimann, executive vice president of the N.A.C.M., in an address before students and faculty members at a special meeting.

This thought was reflected in the address of Mr. Joseph at the exercises for the 50 graduates and the 150 additional members of the student body and their guests.

The speaker, public relations executive of Ohio Bell, has taught at Western Reserve University and Fenn College in Cleveland—for eight years was professor of administrative law and public utility regulation at Western Reserve. He is a life trustee of Ohio Wesleyan University.

Joining Ohio Bell in 1929 as general plant instructor, he advanced to directory advertising sales manager, thence to executive assistant of the public relations department, assistant to the vice president in 1934, then assistant vice president, and to public relations vice president five years ago.

New to the administrative staff this year, as associate director of the Credit Research Foundation, was William J. Dickson, graduate of the

(Continued on page 36)

## STANFORD

ATTESTING both the growing interest in the Graduate School of Financial Management on the West Coast and the experience reports of students from last year's baptismal session of the school at Stanford University in California, plus the announcement that more than half the graduates of the "parent" school for credit executives at Dartmouth College have advanced to higher executive posts as a result of the specialized education, enrolment at Stanford this summer increased almost one-third over the 1952 mark.

Total enrolment for the two weeks of concentrated study reached 68, compared with 55 for the 1952 summer session.

Following the established round-table method of instruction, which, as Carl D. Smith, executive director, explained in his welcome to the credit executive-students, presents "the faculty members as leaders of conference discussions," a successful innovation this year was a faculty-student panel on "What Is Ahead for Business in 1954."

Discussion was directed toward estimating key economic indices as of the end of May, 1954, with not only the panel members but all students submitting predictions to be analyzed after the specified date next year, with an award to the one making the closest forecasts.

### Speakers from Both Classes

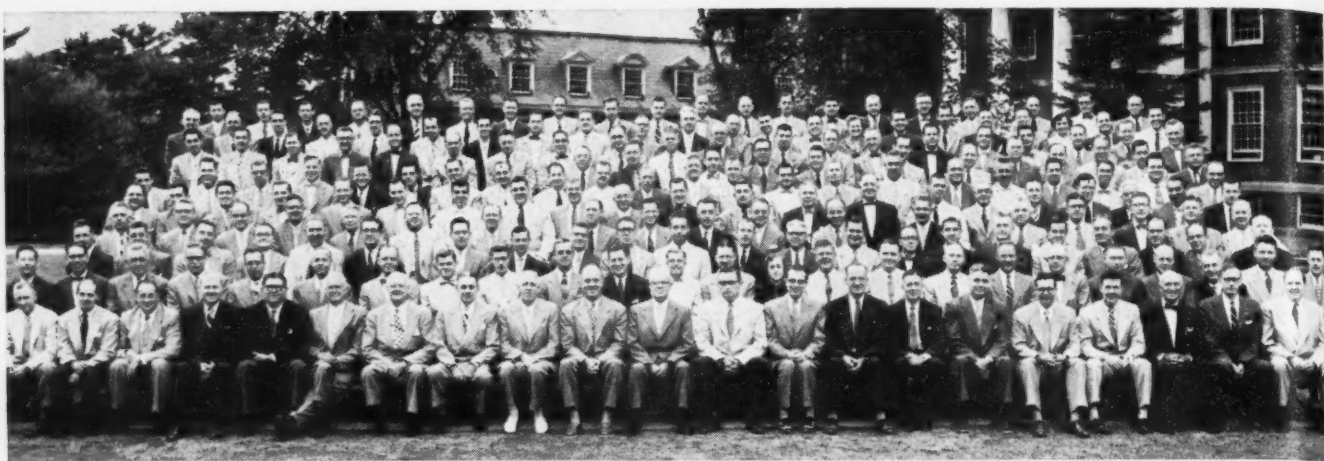
On the panel were the following second-year students: Glenn C. Erickson, cashier, Security Trust & Savings Bank, San Diego; and Charles C. Manger, credit manager, Crown Zellerbach Corporation, San Francisco; and first-year student Conway B. Sonne, district credit manager, The Standard Oil Company of California.

Representing the faculty were Dr. Jules I. Bogen, professor of finance, New York University graduate school of business administration; Professor Raymond Rodgers, professor of banking at the N.Y.U.

(Continued on page 37)



INTO THE NIGHT at a "bull session", and all from the Class of '55: (left to right) Edward L. Porter, credit manager, The Kawneer Co., Niles, Mich.; Edward L. Killackey, treasurer, Celanese Corporation of America, New York City; Fred A. Schwarz, manager of credit and collections, U.S. Rubber Co., New York; and Chester A. Olson, credit manager, Dempster Mill Manufacturing Co., Beatrice, Nebr.



*N.A.C.M. Dartmouth Graduate School of Credit and Financial Management, Faculty, Students and Staff*

University of Texas school of business, with graduate work at the University of Arkansas. He has completed all course requirements and preliminary examinations for a degree of doctor of commercial science at Harvard University's school of business.

A new project this year, paralleled at Stanford, was a student-faculty panel on "What's Ahead for Business in 1954." With six indexes affecting and reflecting business as the basis of prognostication, not only panel members but all other students made their predictions, for checkup next year. A special award will go to the one whose forecasts come closest to reality.

Participating for the student body in the panel were Francis J. Conway (Class of 1954), Frank E. Holley ('53) and Wallace R. Hitchcock ('54). Speaking for the faculty were Dean Arthur R. Upgren, Professor Raymond Rodgers and Dr. W. Arthur Cullman. Dr. Carl D. Smith was moderator.

#### *Visit Trend Research Institute*

Among the several special extra-curricular events was a visit by the Seniors to the Institute for Trend Research, at Hopkinton, N.H., at the invitation of Chapin Hoskins of the faculty of the Graduate School. Mr. Hoskins is chairman of the board of trustees of the Institute.

Dr. Cullman conducted a special seminar in marketing, on "The Implications of the Robinson-Patman Act."

A night of showing of color slides of school activities was the occasion for nostalgic interest of return students, with some of the pictures taken by the members of the classes, others contributed to the program by Dr. Smith.

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***Prejudice is a great time-saver; it enables us to form opinions without bothering to get the facts.***

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—Anonymous

Members of the faculty of the Dartmouth credit-management summer session included:

DR. FRANCIS E. BRADSHAW, president of Richardson, Bellows, Henry & Co., New York City;

DR. ROBERT P. BRECHT, professor of industry, Wharton school of finance and commerce, University of Pennsylvania, Philadelphia;

EARLE C. BRUNER, associate, Rogers, Slade & Hill, New York;

C. ROLAND CHRISTENSEN, assistant professor of business administration, Harvard University graduate school of business administration;

DR. W. ARTHUR CULLMAN, assistant professor of marketing, Ohio State University, Columbus;

LOUIS DUENWEG, training coordinator, Detroit Edison Company;

JOHN T. DURKIN, Institute for Trend Research, Hopkinton, N.H.;

LOUIS O. FOSTER, professor of accounting, Tuck school of business administration, Dartmouth College;

ROBERT K. GREENLEAF, personnel staff, American Telephone and Telegraph Company, New York;

JOHN GRISWOLD, professor of finance, Tuck school of business administration, Dartmouth College;

CHAPIN HOSKINS, chairman of trustees, Institute for Trend Research;

ALLISON V. MACCULLOUGH, consultant, Organization Planning and Development, Rye, N.Y.;

LEONARD MARKS, JR., assistant professor in finance, Harvard University graduate school of business administration;

FREDERICK S. MORTON, associate professor of business and economics, Davidson College, Davidson, N.C.;

H. V. OLSEN, professor of business economics, Tuck school of business administration, Dartmouth College;

RAYMOND RODGERS, professor of banking, New York University graduate school of business administration;

ARTHUR E. THEVENET, vice president, National Credit Office, New York;

DR. ARTHUR R. UPGREN, dean, Tuck school of business administration, Dartmouth College;

DR. MERLE T. WELSHANS, executive officer, department of business administration, George Washington University, Washington, D.C.

Heading the N.A.C.M. graduate school administration staff with Carl D. Smith, executive director of the school and managing director of the Credit Research Foundation, were Mr. Dickson, associate director of the Foundation and the school; and Orrin E. Barnum, regional manager, treasury department, U. S. Steel Corporation, Pittsburgh, and assistant director of the school.

The 1954 session of the Dartmouth graduate school has been set for August 1-14.

#### **Floyd A. Ferguson Dies; Was With Westinghouse 48 Years**

Floyd A. Ferguson, who retired after 48 years of service to the Westinghouse Electric Corporation and died a month later, in Mansfield, Ohio, had been president of the St. Louis Association of Credit Men 1927-28 and had done much for the credit profession in Pittsburgh and Cleveland as well.

Mr. Ferguson started with Westinghouse in 1905 in the credit department in East Pittsburgh, became assistant manager of the treasury department in Chicago, then went to St. Louis as district treasury manager. In 1928 he moved to Denver for duties as district sales manager for five years, and became assistant treasurer of the Westinghouse Elevator Company. In 1943 he began service at Mansfield as treasury manager of the electric appliance division.



## INDICES FORECASTS AT BOTH SCHOOLS

### STANFORD (Concluded from p. 35)

graduate school; J. Allen Walker, general credit manager, The Standard Oil Company of California; and Alan C. Root, Stanford University graduate school of business and administrative assistant to Dr. Smith.

Six indices in the discussion were: (1) Industrial production; (2) Wholesale prices; (3) Gross national product; (4) Disposable personal income; (5) Federal budget expenditures, and (6) Unemployment.

#### A Topic for the "Bull Sessions"

A highlight of the Stanford session was the problem analysis project, with all students participating and submitting their conclusions the following day (after the "bull sessions" [see page 35] that extended into the wee hours). The four faculty members with whom each student had classes presented questions on the basis of the analyses. In conformity with General Graduate school practice, emphasis was on comprehension and solution rather than memorization of facts. On the third day the faculty members presented group resumes of the students' conclusions.

An extra-curricular event of interest was an evening address by Jack A. Posin, professor of Russian, on "Is the Iron Curtain Rust Proof?"

#### Visit to Research Institute

Forty-five from the N.A.C.M. school visited the Stanford Research Institute. Through Dr. J. Knight Allen of the faculty and W. Estler, public relations director of the Institute, and Institute officials, they

were shown the scope of the work being done in research for business, industry and the Government.

How "Al" Walker and his staff control records of credit trends in Standard Oil of California was demonstrated on a series of charts to first-year classes of Mr. Walker.

D. M. Messer, vice president and credit manager of Dohrmann Commercial Supply Company, and president of the National Association of Credit Men, and B. F. Edwards, Jr., vice president of the Bank of America and a trustee of the Credit Research Foundation, not only were guests of the School on the first Saturday but, starting at 8 o'clock and despite the condensed 50-minute schedule, visited every instructor's classes. Another guest was George W. Bricker, Jr., vice president, Celanese Corporation of America, on a visit to the executive development conference of Stanford's graduate school of business.

The 1954 session at Stanford, when this school's first three-year class will be graduated, will open with registrations on July 4th and classes July 5 through July 17.

Members of the faculty and administration staff this year included:

Dr. J. Knight Allen, senior economist, economics research division, Stanford Research Institute. Director of management study reports.

Dr. Jules I. Bogen, professor of finance, graduate school of business administration, New York University. Financial Management I.

Dick Carlson, management consultant, Farm Bureau Insurance Companies, Columbus, Ohio. Development of Executive Abilities. (First year.)

Dr. Herbert E. Dougall, professor of finance, graduate school of business,

Stanford University. Financial Management II.

David E. Faville, professor of marketing, Stanford Graduate School. Current Trends in Marketing. (Second year.)

Robert K. Greenleaf, Personnel Staff, American Telephone & Telegraph Co., New York. Management Policies and Functions I.

Dr. J. Hugh Jackson, dean, graduate school of business, Stanford University.

Leonard Marks, Jr., assistant professor of finance, graduate school of business administration, Harvard University, Boston. Credit Management II.

Raymond Rodgers, professor of banking, graduate school of business administration, New York University. Economics of Money and Credit (Second year.)

J. Allen Walker, general credit manager, Standard Oil Company of California, San Francisco. Credit Management I.

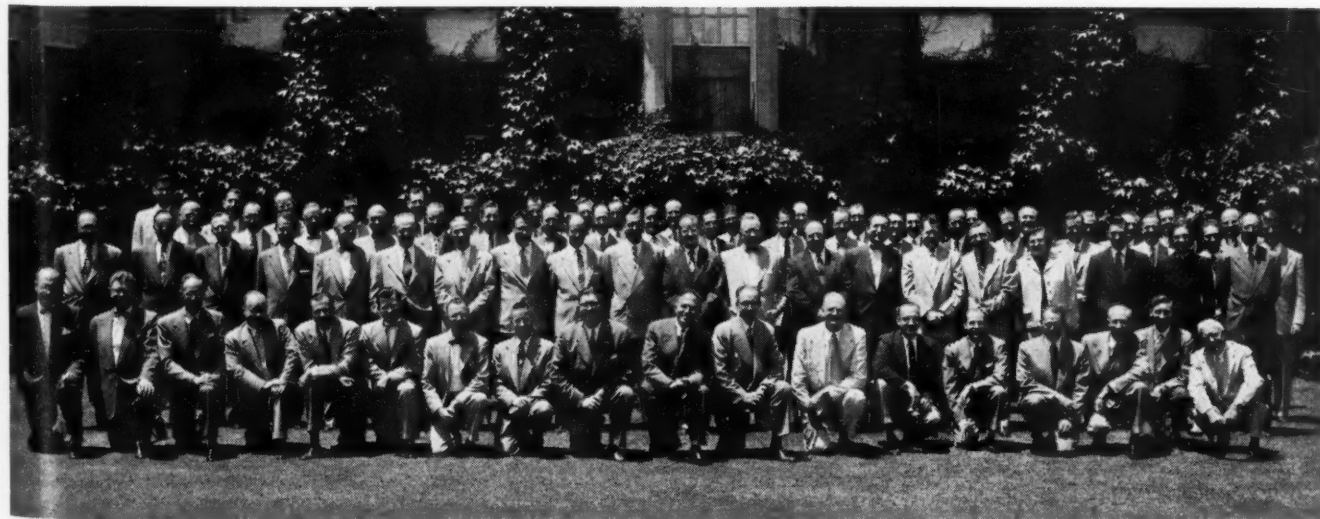
Alan C. Root, Stanford graduate school of business. Stanford University. Administrative assistant to Dr. Smith.

Dr. Carl D. Smith, managing director, Credit Research Foundation, New York. Executive director of the graduate school.

### \$81½ Millions Spent on Suit Thrown Out by Judge Medina

A 34-months trial of Government antitrust charges, in which the 17 defendant investment bankers spent \$7 millions and the Government \$1½ to \$3 millions, was thrown out of court in New York when Federal Judge Harold R. Medina ruled there was no merit in the five million words of Government testimony.

The Government's case had been built largely upon the "traditional banker" concept of handling securities.



Faculty and Student Body of N.A.C.M.'s Stanford Graduate School of Credit and Financial Management

### Punched-Card Systems Move into New Designs

(Concluded from page 11)

revolutionizing office procedures. From the punched-card line the Tag Reproducing Card Punch, and Tape-to-Card Converter also are being shown, in addition to the regular machines such as the Tabulator with Summary Punch.

The new Low-Cost Bookkeeping Machine, completely descriptive, incorporates features of large-size accounting machines. The full-scale No. 685 Accounting Machine also is being shown.

In the Conve-File and Card-o-Matic is the combined effectiveness of an electrically-powered file unit with the attached remote control Card-o-Matic Punch which selects information from pre-punched cards for reproduction into other cards.

Also exhibited are the new Dual Film-a-record microfilming machine, and the Transcopy Duplex which combines a contact printer and developer in one unit.

Remington Rand Inc., 315 Fourth Ave., New York City 10.

### 20-Page Tandem Collator For 12,000 Sheets Hourly

THOMAS' new 20-page tandem model collators, following closely upon the 32-page tandem collator, is a show feature.

Divided into two sections of 10 bins each, the newest collator operates on a tandem principle which permits collating of 20 pages in 2 groups of 10. Adjustable trays allow page sizes to vary from 3" x 8½" to 14" x 17". The 20-page collator collates, assembles or gathers reproduced lists, bulletins, directives and other office papers at speeds as high as 12,000 sheets an hour.

After the papers are placed into bins, the operator depresses a foot pedal which actuates the rubber-tipped fingers in the right-hand bins. These fingers push out the top sheet of each stack into the operator's hands.

The operator, seated throughout, has all pages under her constant inspection.

The Thomas Tandem Collator measures 46" across and 22" deep. It is of all-steel construction and finished in a soft grey. The 640 Thomson linear ball bearings facilitate speed and ease of operation.

Thomas Collators, Inc., 30 Church St., New York City 7.

### Marchant's ADX, Figurematic Is Simultaneously Automatic

WITH today's office costs so high that even a small business can't afford to be without the latest equipment, Marchant Calculators, Inc. is presenting its new and improved, low-cost Figurematic calculator.

This new ADX Figurematic (available in 8 or 10 bank capacities) has simultaneous automatic multiplication and automatic division.

The Retail Special Figurematic, designed for rapid and inexpensive general retail or chain store figurework, insures fast, easy inventory-taking.

Topping Marchant's diversified line is the Figuremaster, a completely automatic calculator. Calculating at exceptional speeds, its many time-saving, built-in operating short cuts deliver maximum figurework output at maximum operator convenience.

For engineering, statistical and scientific usages there is a special Model ABFA Figuremaster with "live-tab" keys, which at a touch instantly shift the carriage to the correct position. Another special model, the CEFA Figuremaster, has "split-clearance" for individual extensions and accumulated totals.

Marchant Calculators, Inc., 1475 Powell, Oakland 7, Calif.

### IBM Electric Card Punch Has Self-checking Device

THE IBM Electric Card Punch combines efficiency and speed with simplicity and ease of operation. Among its many features are: automatic card control of programming, a new method of controlling skipping and duplicating which eliminates skip bars and tabular inserts; a simple, fast method of duplication in which information is duplicated into each card from the card immediately preceding it with no need for a master card in a duplicating rack; more efficient and rapid operation, and a newly-designed, movable keyboard with a light touch and comfortably level keys.

The IBM Card Punch being exhibited at the National Business Show is equipped with the IBM self-checking number device. This device makes it possible simultaneously to key-punch and verify a number of any length by the use of a "check digit" which is added to the number. If a mistake has been made in the writing of the original source document or in punching the card, the machine indicates an error and suspends operation, providing double verification.

International Business Machines, Inc., 590 Madison St., New York City 22.

### Copy-Typist Machine Is Three Typewriters in One

A TYPING machine designed to triple a secretary's production is being shown by the American Automatic Typewriter Company. The Three Unit Copy-typist consists of three typewriters. Whatever is typed on the "master" is simultaneously reproduced on the two "slaves."

The machine is suited for any office typing job in which different forms are prepared at the same time. It also speeds up the typing of large numbers of carbon copies, and is especially useful in filling out orders, invoices, bills, factory production forms, and labels.

The Copy-typist can handle any form, letterhead, or envelope.

Also exhibited is the Auto-typist, for automatically typing complete letters, with name, address, salutation, and other personalized fill-ins.

American Automatic Typewriter Company, 614 No. Carpenter St., Chicago 22, Ill.

### So That's How It Began!

*The key, in fact many keys, to the emancipation of womenkind is to be credited to one Christopher Latham Sholes, reputed inventor of the typewriter, says Mrs. Mary G. Roebling, chairman and president of the Trenton (N.J.) Trust Company.*

*Mrs. Roebling told members of the New York chapter of the American Institute of Banking:*

*"Perhaps there is a touch of either irony or humor in the fact that this mechanical gadget produced by E. Remington & Sons started a revolution among women. Remington then manufactured guns, and still does. But women's guns in the revolution of liberation were the keys of a typewriter."*



## Philadelphia Conference Packs Efficiency School into a Day

Panel discussions, investigation demonstrations and formal addresses filled every working minute of a one-day credit conference in Philadelphia on "Efficiency through Cooperation and Understanding," arranged by the Credit Men's Association of Eastern Pennsylvania.

Victor C. Eggerding, general credit manager of the Gaylord Container Corporation, St. Louis, past president of the National Association of Credit Men, addressed the luncheon session on "Raising Credit Management to the Standard of a Learned Profession." Other addresses were by Philip J. Kelly, vice president and managing director, Chivas Brothers Import Corporation, New York, and J. W. Satzahn, credit manager, Scott Paper Company.

"Procedure" was the forenoon panel topic of E. J. Agnew, Campbell Soup Company; V. C. Brobst, Peirce-Phelps, Inc.; and Frank P. Glenn, Camden Lime Company, with John T. Brown, Jr., of the Hajoca Corporation as moderator.

Discussing collections in the first afternoon panel were T. N. Burke, Interstate Finance and Consumer Discount Company; G. J. Clayton, Rohm & Haas Company; A. E. Southgate, Philadelphia and Reading Coal and Iron Company; and C. E. Wolfinger, Lit Brothers, with J. G. Twesten of Lachman & Sons, Inc., as moderator.

The Q. and A. panel, with Harry E. Rhell of National Lead Company the moderator, had as members Shaler Stidham of the Philadelphia National Bank and president of the Philadelphia Chapter of Robert Morris Associates; William E. Vollmer, SKF Industries, Inc.; J. Leroy Vosburg, Fernald & Company; and R. G. Bannister, Cities Service Oil Company.

The demonstrations were by D.



THESE PAST PRESIDENTS of the Women's Group of the Syracuse Association of Credit Men were honored at a dinner meeting which drew attention in the Syracuse newspapers. Receiving past president pins were (l to r) Miss Irene Dooley, secretary to Archie W. Mabon, association president, Merchants National Bank; Miss Katherine Kesel, Lincoln Bank; Mrs. Beatrice E. Haverly, of the Haverly Electric Company, and Miss M. Margaret Long, Lincoln Bank.

W. Liscom, H. A. Walker and R. J. Young, all of Joseph T. Ryerson & Son, Inc.; P. E. Schenck and R. C. Bittenbender, both of Container Corporation of America; and by H. C. Culshaw, The Pennsylvania Company for Banking and Trusts, and P. F. Coleman of The First National Bank of Philadelphia.

For his demonstration on "Opening an Account by Telephone Interview," Dean Liscom used phones that really rang, separated the two "offices" with a screen, used printed signs to name the company or bank and to designate the time intervals.

## Heads Torch Drive Division

Reed D. Andrew, secretary of the American Blower Corporation and past president of the Detroit Association of Credit Men, has been named chairman of the Industrial Division for the 1953 United Foundation Torch Drive in the Dearborn area. The division accounted for 28.6 per cent of the \$168,742 raised in the area last year.

## Thousand Electronic Computers Now in Use in U.S. Business

American business is using more than a thousand electronic computers, little brothers of the huge "brains" employed in scientific research, writes Grandjean G. Jewett, New York certified public accountant in the *Journal of Accountancy*.

Mr. Jewett predicts a giant automatic unit handling a complete series of operations, from the tape coding of a customer's order through to the final shipping papers. First, however, the input and output devices must develop speed to match that at which the vacuum-tube units perform calculations, and the work must be organized to utilize the tremendous capacity of the computers.

## Labor Pool in Package Plan

A packaged plan, formulated to avoid unproductive elements of many community industrial development campaigns, has been evolved by the Mahoney City (Pa.) Industrial Development Committee in a move to bring steady employment back to an area hurt by the closing of two large anthracite collieries. Foremost in the appeal is an available labor pool of 4,500 (90 per cent male) ready to learn new jobs.

## Mosler Tieup with FBI

A picture exhibit of ten most wanted fugitives was designed and built by the F.B.I. and displayed in the showroom window of the Mosler Safe Company on Fifth Avenue in New York. J. Edgar Hoover, chief, commended Mosler for volunteering use of the window.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) OF CREDIT AND FINANCIAL MANAGEMENT published monthly at 404 N. Wesley Avenue, Mount Morris, Ill., for November, 1953.

1. The names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y.; Editor, Ernest A. Roelstad, 229 Fourth Avenue, New York 3, N.Y.; Managing editor, name; Business manager, Edwin B. Moran, 229 Fourth Avenue, New York 3, N.Y.

2. The owner is: National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y., a non-stock corporation with the following officers: Pres., D. M. Messer, Dohrmann Commercial Co., San Francisco, Calif.; V.P., C. H. Bradshaw, Bausch & Lomb Optical Co., Rochester, N.Y.; V.P., Irwin Stumborg, Baldwin Piano Co., Cincinnati, Ohio; V.P., G. T. Stock-

feth, The Colorado Fuel & Iron Corp. (Pacific Coast Div.), Oakland, Calif.; Exec. V.P. and Mgr., Henry H. Heimann, New York, N.Y.; Treas., Ruth Hootor, New York, N.Y.; Secretary, E. B. Moran, New York, N.Y.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

ERNEST A. ROELSTAD, Editor  
Sworn to and subscribed before me this 23rd day of September, 1953.

(Seal) ELMER L. LARSON  
(My commission expires June 29, 1955.)

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

### LOS ANGELES, CALIFORNIA

October 21-23

Pacific Southwest Annual Credit Conference



### BALTIMORE, MARYLAND

October 22-24

Tri-State Credit Conference, comprising New Jersey, New York, Eastern Pennsylvania, District of Columbia, Maryland and Virginia



### DETROIT, MICHIGAN

October 23-24

Ohio Valley Regional Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan



### DETROIT, MICHIGAN

October 24-25

Midwest Credit Women's Conference



### NEW YORK CITY

October 26, 27, 28

Annual Conference of American Petroleum Credit Association



### WORCESTER, MASSACHUSETTS

November 3-4

Annual New England District Credit Conference, covering Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont



### SAN FRANCISCO, CALIFORNIA

May 16-20, 1954

58th Annual Credit Conference and Convention, National Association of Credit Men



### STANFORD, CALIFORNIA

July 4-17, 1954

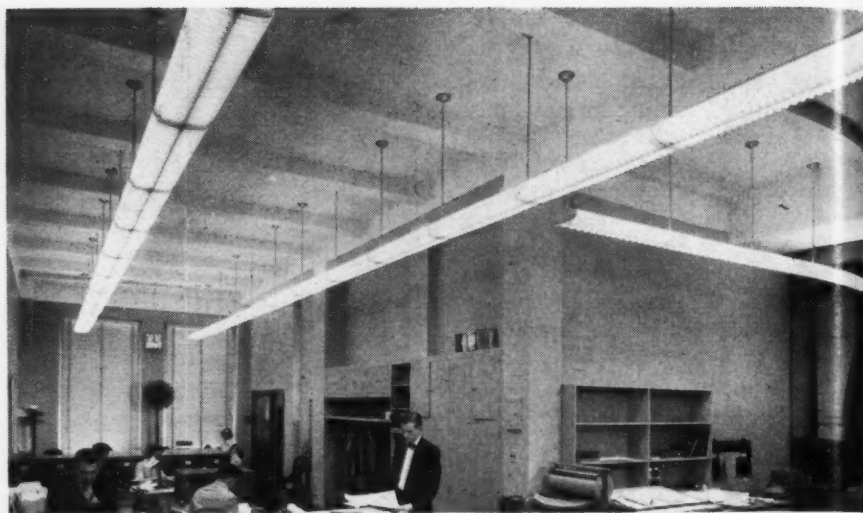
Stanford University Session of the N.A.C.M. Graduate School of Credit and Financial Management



### HANOVER, NEW HAMPSHIRE

August 1-14, 1954

Dartmouth College Session of the N.A.C.M. Graduate School of Credit and Financial Management



THE BANKING DEPARTMENT of the Mosler Safe Company in New York City, which recently installed a fluorescent lighting system designed by Sylvania Electric Products, Inc. as part of a new efficiency program.

## Handle Inventory As If Cash: Heimann

MILWAUKEE, WIS.—Handle inventory records "as you would your cash in the bank," Henry H. Heimann, executive vice president of the National Association of Credit Men, counseled credit leaders at the 36th Annual Wisconsin-Upper Michigan Conference here.

"With the tax load as it is," Mr. Heimann explained, "you cannot afford not to have a sound, clean inventory. It can be conservatively stated that no doubt several billions of dollars of inventory at cost prices in the nation's businesses is obsolete and of little value. These items should be disposed of, either by sale or through scrapping operations."

The speaker, calling attention to the Government's current study of the overall tax structure, expressed the hope that "any new tax law will be more economic." He asked, "How can they summon the political courage to make the shift to a scientific tax law when the trend is toward lower tax receipts and costlier government? All industry has been working to bake the loaf for Government. It has had to be content with a small slice of the bread for its own needs and for the satisfaction of its stockholders."

At the morning session, presided over by H. C. Hartman of the Weber Waukesha Brewing Company, Milwaukee association councilor, after a welcome from Milton McGuire, city council president, L. L. Cunningham, vice president of the Business Institute of Milwaukee, spoke on credit as a key to leadership. The luncheon speaker was H. J. Gramlich of the Chicago & Northwestern Railway System.

Earl Haberman, of Northern Paper Mills, president of the Northwestern Wisconsin-Michigan Association of Credit Men, directed the afternoon session. Public relations as every-

body's business was the topic of John H. Paige, vice president of the Wisconsin Telephone Company.

Speaking from on-the-ground experience of continuous Soviet domineering over a long period, Dr. Roman Smal-Stocki, assistant professor of modern languages at Marquette University, told why Americans cannot understand Russian Communism.

The 250 in attendance were guests of the Allen-Bradley Company, maker of electrical control systems, and its credit manager, Elmer Kroening, the president of the Milwaukee association, at a buffet supper at the plant's recreation hall, then adjourned to the company auditorium for Mr. Heimann's address and a concert by the Allen-Bradley band and chorus.

### Fred Swearingen Dies

With the death of Fred Swearingen, secretary-treasurer of Somers, Fidler & Todd Co., Pittsburgh, the Credit Association of Western Pennsylvania was deprived of one of its pioneer leaders. Mr. Swearingen was association president in 1934-35 and exerted an active interest in the organization and its membership even beyond his recent retirement.

### Aetna Group Secretary

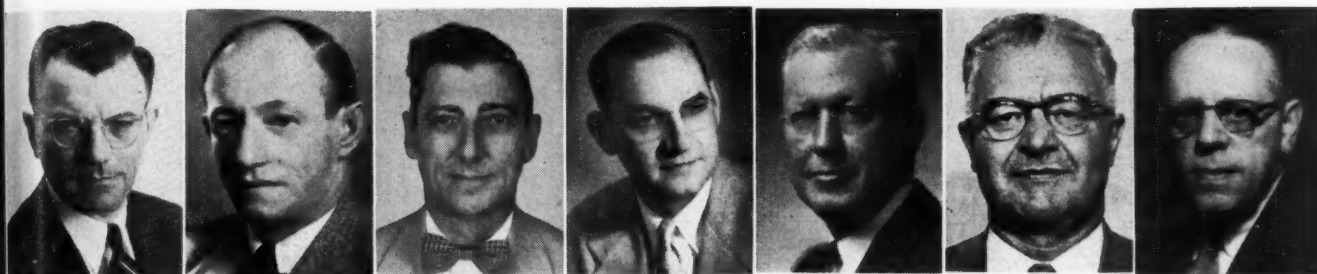
Robert E. Broderick, secretary of the Aetna Insurance Group of Hartford, Conn., who died after a long illness, had joined The Century Indemnity Company, Group member, in 1927, and was made secretary of all Group companies in 1951.

### Remington Rand Lease Plan

Under Remington Rand's new lease plan, a wide range of business machines and office equipment has become available on a lease basis.



# MANAGEMENT IN THE NEWS



W. J. FUSZ

COL. GREIDINGER

C. B. THOMSON

A. E. PRESS

W. W. HILL

L. H. KOOGLE

JOSEPH JACOBSON

## **From Credits He Moves Up To President of His Company**

William J. Fusz has been elected president of General Supply and Equipment Company, Baltimore, Md.

Mr. Fusz entered the company as secretary, then advanced to vice president and treasurer.

For 11 years previously he was with the Daniel Miller Company, Baltimore wholesale drygoods concern, in the credit and collections department.

Mr. Fusz is a graduate of Pace Institute of Accounting and Commercial Law.

## **Greidinger Heads Committee of U.S. Hoffman Machinery**

Col. B. Bernard Greidinger, named chairman of the new finance and budget committee of the United States Hoffman Machinery Corporation, New York, is a senior partner of Greidinger & Co., certified public accountants. Professor of accounting in New York University's Graduate School of Business Administration, Mr. Greidinger is also consultant to the chief of ordnance, New York District, on budgeting, fiscal and accounting matters. He is the author and co-author of numerous books in the financial field, and has contributed articles to professional journals.

## **From Meter Reader in Vacation To Credit Manager of Division**

A. E. Press joined the Utah Power & Light Company, Salt Lake City, Utah, as a meter reader during high school summer vacations, back in 1922-23. After graduation he became a regular employee, working through various offices and accounting jobs, including customer service representative. He became credit manager of the Salt Lake Division in 1940. Mr. Press is a graduate of the

Walton School of Commerce and Finance and has supplemented this with numerous extension courses of the University of Utah. He is past president of the Credit Bureau of Salt Lake City, and had been chairman of the educational committee of the Inter-Mountain Association of Credit Men for the past four years. In April of this year he was elected to the presidency of the Inter-Mountain Association in recognition of his activities in the credit fraternity.

## **30 Years at Power Company; Collects Canes as His Hobby**

W. W. Hill, credit manager of the Northern States Power Company, Minneapolis, Minn., has been associated with that company for 30 years, gradually working up through the ranks. Although he was born and educated in Illinois, when Mr. Hill went to Minnesota in 1924 that became his adopted state, and he has entered heartily into credit and civic activities there. He has a rather unusual hobby—collecting walking canes. Director of the Retail Credit Association of Minneapolis for three years, Mr. Hill also has been a director of the Minneapolis Association of Credit Men, and now is serving as president.

## **Held Federal and State Posts, Then Became Credit Manager**

After studying accountancy and commercial law in Nashville, Tenn., Clifford B. Thomson joined the Commercial Adjustment Company, handling collections and adjustments, and traveled 40 states. He accepted a position in Washington as administrative assistant with the Defense Corporation, and from 1939 to 1942 was state director of finance for the State of Tennessee. After three years as assistant treasurer of the Chicago and Southern Airlines of Chicago, he

resigned in 1947 and became credit manager for T. L. Herbert & Sons in Nashville. Mr. Thomson has taken an active part in local credit activities, both wholesale and retail, and recently was elected to the presidency of the Nashville Association of Credit Men.

## **Graduate of School of Banking Now Heads Installment Credit**

Joseph Jacobson entered banking with the National Exchange Bank, Providence, R.I., in 1922. Through a merger in 1926, he became associated with the Industrial Trust Company, also in Providence, and is now vice president in charge of installment credit. He supplemented his knowledge of credit and banking with extension courses at Brown University, the American Institute of Banking, and was graduated from the Graduate School of Banking of Rutgers University in 1945. Mr. Jacobson is an active member of the New England chapter of the Robert Morris Associates, American Bankers Association, National Installment Credit Commission. He is president of the Rhode Island Association of Credit Men.

## **El Paso Credit Men's Leader Is Veteran of Electric Supply**

L. H. Koogle, nicknamed "Barney," has been in the electric supply business for 30 years, and in that period has lived in Colorado, New Mexico and Texas. He is president and manager of Triangle Electric Supply Company, Inc., of El Paso, Texas. Mr. Koogle, most cooperative in credit association affairs, after serving as a director and vice president was elected recently to the presidency of the Tri-State Credit Association of El Paso. At the Montreal Credit Conference he was a member of the Nominations Committee of the National Association of Credit Men.

# CREDIT AND FINANCIAL REPORTER

## □ *Brief Items on Credit Activities and Meetings* □

**MINNEAPOLIS, MINN.**—A two-part program featured the fall meeting of the Upper Midwest Feeder Finance Credit Group, chaired by A. M. Stevens, general credit manager, Ralston Purina Co., St. Louis, Mo. The first half was devoted to discussions of the business outlook, credit and relationship to sales, with Dean McNeal, vice president, Pillsbury Mills, Inc., a principal speaker. In the afternoon a panel discussion on financing had R. A. Scharf analyze the turkey production field; W. F. Anderson, broilers; L. M. Bolitho, hogs; L. N. Grunnet, cattle.

At the previous meeting the membership was addressed by Val Bjornson, Minnesota's state treasurer. Fourteen past presidents of the association received special recognition.

**MILWAUKEE, WIS.**—George Walter, dean of men, Lawrence College at Appleton, addressed the 58th annual dinner meeting of the Milwaukee Association of Credit Men, on "The Promise of Tomorrow."

**BINGHAMTON, N.Y.**—Mrs. Louis Balog, official parliamentarian for the New York State Federation of Women's Clubs, spoke before the Triple Cities Credit Women's Club on "Better Leadership through Knowledge of Procedures." Mrs. Balog studied English parliamentary law under Lady Balfour at Oxford University.

**CINCINNATI, OHIO**—Miss Norma Hinds, filing consultant, Globe-Wernicke Co., spoke on "Records Management of the Credit Department" at the Credit Club luncheon of the Cincinnati Association. William B. Behrens, Randall Co., was chairman.

**DENVER, COLO.**—Dr. Cecil Puckett, dean of the college of business administration, University of Denver, and E. T. Hallaas, professor of finance and banking, were speakers at the monthly dinner meeting of the Rocky Mountain Association of Credit Men.

**DALLAS, TEXAS**—Highlighting a series of weekly luncheon meetings of The Dallas Wholesale Credit Managers' Association were a "Report on Legislative Activity during the Last Year," by State Representative Barefoot Sanders; "Making Claims Under Performance Bonds," Allen Wight, Dallas attorney; and "Economic and Business Outlook—Last Half of 1953," Watrous H. Irons, vice president, Federal Reserve Bank of Dallas.

**NEW ORLEANS, LA.**—"Trusts as They Affect Credit" was the subject of discussion, led by Francis C. Doyle, vice president and trust officer, National Bank of Commerce, at a membership luncheon of the New Orleans Credit Men's Association.

**TERRE HAUTE, IND.**—Albert Haring, professor of marketing, University of Indiana, was the principal speaker at a luncheon meeting of the membership of the Terre Haute Association of Credit Men.

**WORCESTER, MASS.**—Ralph H. Mullane, vice president, Liberty Mutual Insurance Co., and president of the Boston Credit Men's Association, addressed the Worcester County Association on the topic, "Is Casualty Insurance a Necessity for Credit?"

**YOUNGSTOWN, OHIO**—"World Credit as Viewed by a Globe-Trotter" was the topic of Samuel F. Keener, of Keener Industries, Salem, at a dinner meeting of the Youngstown Association.

**ATLANTA, GA.**—Mrs. Lucy G. Killmer, secretary-treasurer, Guarantee Specialty Mfg. Co., Cleveland, and a director of the National Association of Credit Men, addressed the Georgia Association of Credit Management on "Hidden Values."

**SPRINGFIELD, MASS.**—Mortimer J. Davis, executive vice president, the New York Credit and Financial Management Association, spoke on "Behind the Insolvency Scene" before the monthly membership meeting of the Western Massachusetts Association of Credit Men.

**PITTSBURGH, PA.**—"Credit Practices—A Review" was the theme of a forum at a Credo luncheon of the Credit Association of Western Pennsylvania. Participating were O. E. Barnum, United States Steel Corp., B. A. Boynton, Pittsburgh Consolidation Coal Co.; C. W. Cording, Union National Bank of Pittsburgh; P. O. Eitel, Fort Pitt Chair & Furniture Co.; and Dudley R. Meredith, association secretary.

Credo's weekly fall speaker schedule includes: William B. McFall, president, Commonwealth Trust Co., on "How Sound Is Our Prosperity?"; David M. Olds, attorney, Reed, Smith, Shaw & McClay, "Credit Problems in Contract Terminations"; C. Fred Ensign, assistant treasurer—credit manager, The Cleveland Twist Drill Co., "Curtailling or Withdrawing Credit"; and I. L. Hillman, assistant treasurer, Dravo Corp., "The New Pennsylvania Commercial Code's Effect on Existing Credit Practices."



THE FIRST credit card plate issued by the American Oil Company, New York City, in its new policy to speed credit sales at service stations, is presented by President Herschel C. Smith to Mrs. Casilda A. Wyman, manager of the Farm Journal's business research department. Gilbert J. Timone, general credit manager, views the proceedings. American is passing the plates to 200,000 courtesy card holders in 18 states and the District of Columbia.